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Eradicating poverty in all its forms and dimensions through promoting sustainable development, expanding opportunities and addressing related challenges

Report of the Secretary-General

Summary

Although the prevalence of extreme poverty has steadily declined in recent decades, the total number of people living in extreme poverty remains unacceptably high. Non-income dimensions of poverty and deprivation, the result of working poverty and lack of access to decent work, basic health services and natural resources, remain pervasive. Many of those who have escaped poverty in the past 15 years live precariously close to the poverty line, and inequalities have been increasing in many countries.

The present report, provided in response to Economic and Social Council decision 2017/208 and General Assembly resolutions 61/16 and 68/1, discusses such challenges in the context of the 2030 Agenda for Sustainable Development and the integrated and indivisible Sustainable Development Goals. The report identifies current trends related to the achievement of Goal 1, while also exploring the interlinkages of Goal 1 with other Goals and targets in line with an integrated approach to multidimensional poverty. It also analyses the potential to build synergies for poverty eradication across the economic, social and environmental dimensions, while recognizing the need for diverse strategies in countries facing different development challenges.

National efforts will need to be reinforced by a robust multilateral system capable of steering international cooperation on systemic challenges and opportunities. The Economic and Social Council system is a platform for such international coordination, building on the analytical and normative expertise found across its subsidiary and expert bodies, segments and forums, as well as its strong multi-stakeholder status.

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I. Introduction

1. The prevalence of extreme poverty continues its decades-long descent. Between 2000 and 2015, over 1 billion people were lifted out of extreme poverty, including in some of the poorest countries in the world. This represents one of the fastest rates of worldwide poverty reduction in human history.

2. Yet the total number of persons living in extreme poverty — more than 767 million in 2013 — remains unacceptably high.[1] Around the world, 1 in 8 people live on less than $1.90 a day (see E/2016/75). Poverty is also becoming increasingly concentrated in certain regions, where its depth and breadth remain an overriding challenge. While there has been a reduction in income poverty, non-income dimensions of poverty and deprivation, such as access to quality education or basic health services, remain pervasive. The number of people remaining in poverty, the unevenness in shared prosperity and the consistent disparities in non-income dimensions of development persist.

3. Eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development. This is captured by and a central element in the 2030 Agenda for Sustainable Development, which, together with the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, the Paris Agreement under the United Nations Framework Convention on Climate Change, and the Sendai Framework for Disaster Risk Reduction 2015-2030, provide a comprehensive global framework for eradicating poverty and advancing sustainable development.

4. Poverty eradication is a primary, overarching goal of the 2030 Agenda. Through its adoption, Heads of State and Government around the world resolved to free the human race from the tyranny of poverty and to heal and secure our planet. The first Sustainable Development Goal is to "End poverty in all its forms everywhere". Its seven associated targets include, among others, eradicating extreme poverty for all people everywhere, reducing at least by half the proportion of men, women and children of all ages living in poverty, and implementing nationally appropriate social protection systems and measures for all.

5. To support poverty eradication and the achievement of the 2030 Agenda, the main theme of the 2017 session of the Economic and Social Council is "Eradicating poverty in all its forms and dimensions through promoting sustainable development, expanding opportunities and addressing related challenges". As part of the implementation, follow-up to and review of the Agenda, the Council selects an annual main theme through which it advances the balanced integration of the three dimensions of sustainable development.

6. The Economic and Social Council ensures the alignment of its annual main theme and the corresponding annual theme of the high-level political forum convened under the auspices of the Council, so as to foster coherence. The 2017 theme of the forum is "Eradicating poverty and promoting prosperity in a changing world". The forum also discusses a set of Sustainable Development Goals and their interlinkages, with a view to facilitating an in-depth review of progress. The Goals to be reviewed in 2017 are Goals 1, 2, 3, 5, 9 and 14. The 2017 session of the Council culminates in July 2017 with the convening of the forum under the auspices of the Council, the high-level Segment of the Council and the adoption of the joint ministerial declaration of the high-level segment and the high-level political forum.

[1] According to World Bank data, available from www.worldbank.org/en/topic/poverty/overview.

7. The present report addresses the main theme of the Economic and Social Council for 2017. It identifies current trends, opportunities and challenges related to the achievement of Sustainable Development Goal 1 as part of the overall implementation of the 2030 Agenda. It also analyses the potential to build synergies for poverty eradication across action taken in the economic, social and environmental dimensions, while highlighting diverse strategies that could be taken by countries facing different national contexts and challenges. In the global context, it identifies systemic challenges and opportunities that require greater international cooperation and action.

8. The report builds on the preparatory process for the 2017 session of the Council, combining analytical contributions from the Economic and Social Council system and the United Nations development system with inputs from stakeholder engagement in segments and forums of the Council and with the Council system. Recent innovations in poverty eradication will be highlighted on the basis of the substantive contributions arising from the Council's work on the theme during its 2017 session.

9. The report should be read in conjunction with the report of the Secretary-General for the thematic discussion of the 2017 session of the Council, "Beyond gross domestic product: multidimensional poverty and the Sustainable Development Goals" (E/2017/69).

II. Poverty in the context of the 2030 Agenda

A. Unfinished business of poverty reduction

10. In spite of the gains achieved, progress in poverty reduction has been uneven and inequalities remain. During the period between 2000 and 2015, in the context of work to achieve the Millennium Development Goals, many of the people who moved above the international line for extreme poverty had previously been living just below it. Small increases in income from economic growth or government transfers were often sufficient to pull households over the threshold.

11. In the framework of the Sustainable Development Goals, concerted efforts are needed to lift remaining populations out of extreme poverty. Of those still living below the international extreme poverty line, far fewer live just below the line than before and they are poorer and more difficult to reach.

12. Many of those who escaped poverty in the past 15 years still live precariously near the poverty line, and are susceptible to shocks that could push them back into poverty. Increasingly, global interconnectedness exposes people to such setbacks, particularly those resulting from volatile capital flows, global market fluctuations and climate patterns, as well as deadly natural disasters, conflicts and displacement resulting therefrom.

13. Another underlying challenge to the achievement of the Sustainable Development Goals is growing inequality. Many societies have witnessed growing disparities in wealth, incomes and outcomes across key indicators. Even in countries that experienced impressive reductions in poverty in the framework of the Millennium Development Goals, inequality has been a challenge. More than 75 per cent of people in developing countries live in societies where income was more unequally distributed in 2010 than it was in 1990.[2] Rising inequalities were also prevalent in developed countries during that period.

[2] United Nations Development Programme (UNDP) *Humanity Divided. Confronting Inequality in Developing Countries*, 2014.

14. Entrenched inequalities can make it more difficult to eradicate poverty. A recent study comparing the world's most equal and unequal countries found that a 1 per cent increase in incomes in more unequal countries produced a 0.6 per cent reduction in poverty, while the same increase in more equal countries yielded a 4.3 per cent cut in the poverty rate.[3]

B. Synergies and integrated implementation of the Sustainable Development Goals

15. The broadening of the development agenda, including the adoption of the Sustainable Development Goals, is a significant transformation in global development policy. Actions to achieve poverty eradication and sustainable development are interdependent and require integrated policy responses that maximize opportunities for synergy and balance trade-offs.

16. As a result, the demand for policy integration has grown significantly. Integration is at the core of sustainable development; no longer can policy decisions in the economic, social and environmental dimensions be made in isolation. Policy integration needs to be carried out within and across sectors and be supported by policy coordination and coherence among national, regional and global development efforts.

17. For example, there are synergies among efforts towards eradicating poverty through expanding education, ensuring gender equality and enhancing women's employment. Women who participate in the workforce have been shown to reinvest their income in improved nutrition, health and education for household members, thus increasing living standards and reducing non-income poverty. Better nutrition and reduced rates of infant, child and maternal mortality are among the social gains from integrated employment policies that take into account the gender dimension.

18. In the context of the Sustainable Development Goals, Goal 1 is directly connected to 10 other Goals. Such connections create the potential for synergies and the integration of a broad range of relevant policies. During the high-level political forum on sustainable development, in 2017, policy integration will be discussed in detail, particularly how best to achieve synergy between Goals 1, 2 (ending hunger), 3 (health and well-being), 5 (gender equality), 9 (industry, innovation and infrastructure) and 14 (marine resources).

19. What such interlinkages demonstrate is that policy integration in the context of the Sustainable Development Goals is a more complex undertaking than in the context of the Millennium Development Goals. Achieving sustainable food production, for example, requires a host of linked activities, such as agronomic interventions to boost yields, investment in rural infrastructure, greater efficiency in water use and better choices in allocating additional land to agricultural production. Other development challenges, such as sustainable urbanization, the protection of biodiversity and the shift to low-carbon energy systems, also require similarly complex integrated policies and approaches.

20. Policy integration will also need to be pursued by all actors and stakeholders. An important challenge will be to ensure that the efforts of the growing diversity of development actors are effectively aligned to support policy integration, including within a revitalized global partnership for sustainable development. South-South cooperation among Governments has especially come to the fore as a significant

[3] See UNDP, "Ending poverty by 2030: UNDP's perspective and role", issue brief (March 2016), and Martin Ravallion, "How long will it take to lift one billion people out of poverty?", *World Bank Research Observer*, vol. 28, No. 2 (August 2013), pp. 139-158.

force in development, and the number and type of public and private actors involved in development is also likely to continue to grow.

C. Dynamic nature of poverty

21. In many people's experience of poverty, it is dynamic in nature. Shocks of various types affecting household incomes and expenditures cause households to move in and out of poverty. In some countries, repeated, temporary durations spent living below the poverty line are experienced by a broad cross-section of society.

22. The likelihood of exposure to poverty and other deprivations, and the capacity to exit poverty, depend not only on the nature of shocks affecting individuals or households, but also on the initial position of households in terms of assets and income and access to goods and social protection. When faced with health risks or other shocks, people with limited savings or assets may be unable to cope and are often pushed into poverty. This is observable in both developing and developed countries.

23. Estimates indicate that between 20 per cent and 60 per cent of people who escape poverty tend to fall back into poverty within 4 to 10 years, and close to 900 million people worldwide are vulnerable to falling into poverty as a result of crises, whether financial, natural or otherwise (see E/CN.5/2017/3). In addition, people who have escaped poverty according to income measures could remain relatively poor in their local context or in terms of acute deprivations in health, education and standard of living.

24. Such data suggest that different strategies should be applied to confront extreme poverty, prevent impoverishment and sustain the progress of those who escape extreme poverty. Differentiated policies according to the transitory or permanent nature of the deprivations being faced are essential to any national plan for poverty eradication. Ideally, a mix of instruments would be used to protect against shocks, improve the circumstances of households, including through expanded opportunities, and support permanent exits from poverty.

25. Another example of the dynamic nature of poverty relates to food and food security. In order to address food-related shocks, it is essential to provide support to smallholders, family farmers, rural women, indigenous communities, youth and vulnerable or marginalized people. Eradicating hunger and lifting people out of poverty by 2030 requires a combination of pro-poor investments in sustainable agriculture, rural development and social protection measures to mitigate food shocks.

26. Population trends can have a critical impact on the eradication of poverty, affecting incomes and structures that may cause people to move in and out of poverty. Poverty can be influenced by, and have an influence on, population dynamics, including population growth, age structure and rural-urban distribution.

D. Social and geographical distribution of poverty

27. While poverty can be dynamic, a lesson from the experience of implementing the Millennium Development Goals is that it can also be concentrated among particular social groups and geographical areas. Knowing who the poor are and where they live is a key element in the eradication of poverty.

28. In particular, there are two large segments of the global poor at particular risk of being bypassed by efforts to eradicate poverty. The first are those who live in

"pockets" of extreme poverty and have been left behind as the result of market or governance failure, exclusion or discrimination. The majority in this category live in middle-income countries that have high average rates of progress on poverty reduction. Many live in remote communities, largely disconnected from society, or belong to marginalized groups facing multiple sources of discrimination.

29. Those living in the poorest countries, many of which have been largely cut off from globalization, are the second at-risk population. A recent study identified 24 countries with both a high prevalence of extreme poverty and a poor track record of poverty reduction, and found that in this subset of countries, 265 million people are living in extreme poverty. Without strong partnerships and adequate and effective development cooperation, they face a high risk of being left behind by progress towards the Sustainable Development Goals. Extreme poverty is also increasingly concentrated in conflict-affected areas — of those 24 countries, 13 had peacekeeping missions in the decade between 2005 and 2015.[4]

30. Worldwide, nearly 80 per cent of the extreme poor live in rural areas and work in agriculture. Agricultural workers are over 4 times more likely to be poor relative to people employed in other sectors of the economy, owing to various factors, including low productivity, weak infrastructure and limited access to social services and social protection, especially among women. The rural working poor and their families constitute a high proportion of the hungry and malnourished. In addition, global challenges, such as climate change and migration, often affect rural areas.

31. At the same time, poverty is increasingly becoming urbanized; globally there were 881 million urban dwellers living in slums as of 2014, with limited or no access to shelter, basic urban services and social amenities.

32. Children are more likely to be poor than adults. In 2013, children under 18 accounted for half the global poor — almost 385 million children in total. In developing countries, children are more than twice as likely as adults to be living in households in extreme poverty, with 19.5 per cent of children estimated to live on less than $1.90 a day, compared to 9.2 per cent of adults. The youngest children are the worst off, with over 20 per cent of all children below the age of 5 in the developing world living in extremely poor households, and they are concentrated in certain parts of the developing world, namely sub-Saharan Africa and South Asia.[5]

33. Poverty is also one of the main threats to the well-being of older persons. The risk of old age poverty is more pronounced in developing countries. Older women are at much greater risk than older men. In both developed and developing countries, households headed by older women are more likely to live in poverty than those headed by older men.

34. In all of the above, people from minority groups are significantly overrepresented, including people with disabilities, ethnic and linguistic minorities and indigenous people. Of 33 developing countries, more than two thirds of education- and health-related poverty could be found among households where the head is a member of an ethnic minority group. Across 16 countries, the poorest women from disadvantaged ethnic groups were the most likely to have been left behind by progress in education and health.[6]

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[4] Laurence Chandy, Hiroshi Kato and Homi Kharas, eds., *The Last Mile in Ending Extreme Poverty* (Washington, D.C., Brookings Institution Press, 2015).

[5] United Nations Children's Fund and World Bank Group, "Ending Extreme Poverty: a Focus on Children", briefing note, October 2016.

[6] Tanvi Bhatkal, Emma Samman and Elizabeth Stuart, "Leave no one behind: the real bottom billion", ODI Briefing (London, Overseas Development Institute, 2015).

35. Pockets of poverty are also common in developed countries. Despite improvements in average living standards, in the richest countries there are still groups at high risk of being left behind by the latest advances in science, technology and innovation. For example, 80 per cent of Roma people in countries of the European Union were at risk of poverty in 2016.[7]

E. Assessing poverty eradication challenges in specific country groups

36. As extreme poverty declines globally, the regional poverty profile has been changing. This is a direct result of uneven progress, most visibly for sub-Saharan Africa, which is home to 41 per cent of the world's poor, or the equivalent of 389 million people, according to a World Bank analysis. Without an acceleration of current poverty reduction trends in sub-Saharan Africa, the achievement of Goal 1 is highly unlikely.[8]

37. In the least developed countries, many have seen increases in gross domestic product (GDP) as a result of their growing exports and an expanding consumer base. Yet their export growth is often based on primary commodities, which can expose them to shocks in global commodity markets and limit their options for translating export-led growth into poverty eradication and sustainable development. Capacity-building in manufacturing and trade are essential to diversifying economic performance and achieving a structural transformation that creates inclusive growth.

38. Landlocked developing countries face unique challenges. The dependence of such countries on other countries' transit systems for international trade compounds the challenges they face in developing industries and becoming better integrated into regional and global value chains. Landlocked developing countries will need to find new opportunities for cooperation on transit infrastructure and strengthened relations with neighbouring countries and regional partners.

39. Challenges for small island developing States include vulnerability to economic shocks and elevated exposure to natural hazards. Expressed as a proportion of social expenditure, expected annual losses from extensive disasters in low-income countries are 5 times higher than in high-income countries. For small island developing States, the threat of future natural disasters represents an existential threat.

40. World Bank estimates indicate that 2 billion people now live in countries where development outcomes are affected by conflict and violence. Extreme poverty will increasingly be concentrated in conflict-affected areas, rising from 17 per cent of the global total today to almost 50 per cent by 2030, as the rest of the world makes progress.[9] Addressing conflicts is a strategic priority that is critical to ending extreme poverty and promoting shared prosperity. It is also important as the global community works towards the implementation of Sustainable Development Goal 16 on peace, justice and strong institutions.

41. There has been an important shift in the global distribution of poverty to middle-income countries. In 1990, 93 per cent of the world's poor people lived in

[7] This figure in fact refers to the relative poverty measurement used in the European Union (people with levels of income per capita that are less than 60 per cent of the national median). See European Union Agency for Fundamental Rights, *Second European Union Minorities and Discrimination Survey: Roma — Selected findings* (Luxembourg, Publications Office of the European Union, 2016).

[8] World Bank Group, *Poverty and Shared Prosperity 2016: Taking on Inequality* (Washington, D.C., World Bank, 2016).

[9] According to World Bank estimates, available from www.worldbank.org/en/topic/fragilityconflictviolence/overview#1.

low-income countries. Now, more than 70 per cent of the world's poor live in middle-income countries, mainly in sub-Saharan Africa and South Asia. A majority of the world's poorest people now live in countries that moved from low-income to middle-income country status after 1999.

42. An increase in poverty has also been recorded in developed countries. It is estimated that, in 2012, over 300 million people in developed countries were living in poverty, defined in relative terms on the basis of incomes representing less than 60 per cent of the median income.[10]

F. Employing data and the data revolution

43. It is essential to know who the most vulnerable people are, in order to ensure no one is left behind. Such data are crucial for expanding people's opportunities and providing pathways towards sustainable development. The 2030 Agenda is explicit about the need for quality, accessible and timely data, which are the foundation for sound decision-making. Efforts to achieve the Millennium Development Goals demonstrated the importance of statistically robust indicators for tracking progress towards the achievement of concrete and time-bound goals. The pursuit of those Goals also showed the value of using data to galvanize development efforts, implement targeted interventions and improve accountability. As a result, the 2030 Agenda underlines the importance of energizing efforts to increase the production and use of development data.

44. Despite improvements, there are large gaps in the quality and availability of data. The poorest and most vulnerable people often remain invisible. In sub-Saharan Africa, where poverty is most severe, about 60 per cent of countries lack adequate data to monitor poverty trends. Worldwide, it is estimated that the births of nearly 230 million children under the age of 5 were never registered, approximately one quarter of all children under the age of 5. Children unregistered at birth or lacking identifying documents are often excluded from access to education, health care and other essential services.

45. A lesson from the work towards the Millennium Development Goals is that national averages can sometimes obscure disparities. For this reason, wherever possible and relevant, indicators should be disaggregated by gender, age, ethnicity, and other vulnerability criteria, including geographic location.

46. The dearth of disaggregated data in most countries has resulted in inadequate information on who is being left behind. The lack of disaggregated data on Millennium Development Goal 1, on poverty reduction, for example, presented numerous challenges in terms of monitoring progress in gender equality, as income poverty measures are often calculated assuming that household resources are distributed equitably among its members. Such measures do not indicate the gender dimensions of poverty, such as the unequal sharing of household resources or unequal access to public services. National statistical systems are also often unable to provide the data needed to monitor the risks of poverty and of exclusion from decent employment or social protection systems.

47. Monitoring progress as regards poverty eradication and sustainable development requires a data revolution, through investment in data and strengthening statistical capacity, especially through national statistical systems in developing countries. Such a revolution is a joint responsibility of Governments, international and regional organizations, the private sector and civil society.

[10] International Labour Organization, *World Employment Social Outlook 2016: Transforming jobs to end poverty* (Geneva, International Labour Office, 2016).

Enhanced coordination and collaboration between national statistical systems, regional and international organizations and stakeholders from civil society, academia and the business community is essential in order to strengthen capacities to contribute to the follow-up to and review of the 2030 Agenda at the local, national and international levels. Along with the integration of data from new technologies with traditional data, new sources of data should be employed to produce relevant high-quality information, with more detail and at higher frequencies to foster and monitor sustainable development.

III. Policy actions for eradicating poverty

A. Economic opportunities

Pursuing inclusive, broad-based growth that delivers opportunities for all

48. Poverty eradication in the context of the 2030 Agenda will require high and sustained economic growth (Sustainable Development Goal 8) as well as sustainable industrialization (Goal 9), especially in the least developed countries. Persistent poverty, coupled with high and widening inequality, threatens to undermine prospects for future growth and weakens the impact of growth on poverty eradication.

49. A lesson learned from the framework of the Millennium Development Goals is that coherent strategies are needed at the national level to support inclusive, broad-based growth. Specific actions to help the poor manage risk are also necessary for improving the inclusiveness of growth and enabling pro-poor trade and investment.

50. Macroeconomic policies constitute a critical part of poverty eradication through promoting economic growth and providing macroeconomic stability that reduces the effects of economic shocks. Negative shocks have a larger impact on poverty in absolute terms.

51. Investment in a more diversified economic and trade base will build resilience in developing countries, especially the least developed countries and other countries in special situations. The private sector can be a transformative partner in reducing poverty and inequality and in ensuring the sustainable management of natural resources for the achievement of the Sustainable Development Goals. The private sector can create decent work opportunities, as well as offer skills training and higher incomes, and provide access to knowledge, technology and innovation.

Creating employment and decent work

52. Central to poverty eradication efforts is the creation of decent work for all, as outlined in Sustainable Development Goal 8. In the context of the 2030 Agenda, economic transformation will be built on an increase in productive work opportunities that ensure workers can fulfil their potential with dignity and respect. This can propel a growth dynamic oriented towards poverty eradication by increasing productive capacity, enabling a rise in incomes, expanding private sector investment and strengthening government tax revenues and increased public investment in the provision of social services and physical infrastructure. Technological change, a key element of the envisaged economic transformation, presents both opportunities and challenges in supporting inclusive labour markets.

53. Labour market inequalities and exclusion lie at the heart of the challenge of poverty eradication. This is because weak or limited employment opportunities negatively affect income and, in many cases, access to social protection schemes, many of which are linked to the formal labour market. As a result, people without

decent work face higher risks of poverty, vulnerability and social exclusion. People with unequal labour market status, including women, youth, migrants, persons with disabilities, the long-term unemployed and ethnic and other minorities, are particularly vulnerable to such risks.

54. In 2016, 3 out of 10 working women and men in emerging and developing countries, some 783 million people, were unable to earn enough to lift themselves and their families above the moderate poverty threshold of $3.10 per day. Young people (aged 15 to 24) account for a disproportionately high share of the working poor. On current growth trends, working poverty rates will decline in 2017 and 2018, but at a slower pace than in the previous 25 years.

55. In developing countries, the informal economy accounts for between 35 per cent and 90 per cent of total employment. Informal work reflects the very diverse realities of wages and self-employment worldwide. For workers, informal employment often means low pay and limited access to legal and social protection and resources.

56. Rural poverty is widespread, particularly in South Asia and Africa. Transforming rural work so that it offers sustainable livelihoods and an end to hunger, as called for in Sustainable Development Goal 2, requires integrated policy strategies and coordination between different government ministries. A robust and increased mandate for local governments, including in rural areas, to fight poverty is also needed, in particular through a focus on creating employment opportunities.

B. Social protection systems, including social protection floors

57. Social protection systems, including social protection floors, have a fundamental role in eradicating poverty by reducing economic insecurity and social exclusion, as set out in target 1.3 of the Sustainable Development Goals. Social protection can therefore help sustain long-lasting development and reduce the impact of economic fluctuations.

58. The International Labour Organization estimates that 73 per cent of the world's population does not have adequate social security.[11] Social protection expenditure is an investment in human and social infrastructure that complements physical infrastructure and adequate sectoral policies in building and expanding productive capacities, while supporting incomes and domestic demand structurally and over economic cycles.

Social protection floors

59. The income security provided by social protection systems improves the livelihoods and resilience of many people across income groups and opens up opportunities for education, geographical mobility, employment and, therefore, current and future income prospects.

60. Ensuring universal access to social protection systems, including by establishing and maintaining, as applicable, nationally determined social protection floors, is not only important for assisting those living in or vulnerable to poverty, but is also a factor that helps to stabilize the economy, as well as maintain and promote employability.

61. Work by experts at the United Nations University has shown that specific policies in the form of social protection will pay off not only in the short term by

[11] International Labour Organization, *World Social Protection Report 2014/15: Building economic recovery, inclusive development and social justice* (Geneva, International Labour Office, 2014).

contributing directly to the reduction of poverty, but also in the long term through indirect effects in terms of enabling households to invest in human capital and productive assets. Moreover, inequalities can be reduced as people move up the income ladder over time. The rate of return for social protection policies is positive.[12]

62. There is increasing attention paid to universal or unconditional basic income as a way of supporting people in meeting their basic needs and living in dignity. Such measures could play an essential role in promoting resilience in the light of rapid technological change and the related likely disruptions to labour markets. There are or have been a number of pilot projects that have been developed in a wide range of countries, including the current scheme operating in Finland, as well as previous experiences in India, Mongolia and Namibia.

Ensuring essential health-care services

63. Ensuring essential health-care services reduces the burden of disease and contributes to poverty eradication. Health interventions contribute to poverty reduction in several ways, including through declines in the rates of child and adult mortality and increases in the level of educational attainment, in adult labour supply, productivity and efficiency and in access to high-quality health care. Improvements in life expectancy can also incentivize individuals and families to invest more in education and skills acquisition, thereby contributing to long-term economic growth and poverty reduction.

64. Reductions in the burden of disease can result in significant savings in public spending on health, freeing funds to be invested in other critical areas such as infrastructure development or agriculture. Reducing levels of poverty should contribute to good health outcomes, which contribute to growth.

65. In order to reduce poverty, countries should ensure sustained investments in primary care and public health measures and access to services, including large-scale child vaccination interventions, ophthalmic care and treatment for chronic non-communicable diseases, malaria and HIV/AIDS. Such interventions help to dismantle intergenerational health-based poverty traps that weaken levels of school attendance and participation among children or affect labour force participation and earnings among adults.

66. International evidence also points to the importance of rising per capita incomes in improving health outcomes, such as those relating to child mortality and life expectancy.[13] Other important country-specific factors that have a bearing on poverty and health outcomes include patterns of income distribution, the diffusion of low-cost health technologies and interventions, access to clean water and sanitation, levels of schooling and the status of women.

67. Nearly 40 per cent of people around the world are without any form of legally mandated health coverage. Target 3.8 of the Sustainable Development Goals commits Member States to the achievement of universal health coverage, including financial risk protection, access to quality essential health-care services and safe, effective, quality and affordable essential medicines and vaccines for all. Target 3.c also commits States to substantially increase health financing and the recruitment,

[12] See, for example, the article by experts at the United Nations University: Franziska Gassmann, Andrés Mideros and Pierre Mohnen, "Estimation of rates of return on social protection: ex ante microsimulation of social transfers in Cambodia", *Journal of Development Effectiveness*, vol. 8, No. 1 (2016), pp. 67-86.

[13] Lant Pritchett and Lawrence H. Summers, "Wealthier is healthier", *Journal of Human Resources*, vol. 31, No. 4 (1996), pp. 841-868.

development, training and retention of the health workforce in developing countries, especially in the least developed countries and small island developing States.

Supporting opportunities and access to education and learning

68. Education plays a significant role in poverty eradication. Attaining education increases productivity, raises the earnings potential of individuals and their overall standard of living. The chances of a person being poor diminish significantly with higher levels of educational attainment; a lack of education is a key determinant of income and non-income poverty.

69. Countries have implemented a variety of strategies that address the multiple underlying causes of low educational attainment and the lack of educational opportunities. Such strategies include addressing economic and non-economic constraints relating to education, expanding access, improving the quality of education, building education and transportation infrastructure and investing in teachers.

70. Other countries have sought to ensure equal access by offering free education. The abolition of school fees has had the intended effect of vastly increasing access to education in countries such as Burundi, the Democratic Republic of the Congo, Ethiopia, Ghana, Kenya, Malawi and Mozambique.

71. Advancing opportunities for women and girls through the promotion of gender equality and girls and women's education needs to remain a priority. In particular, there are far fewer women than men who study science, technology, engineering and mathematics or who work in jobs requiring information and communications technology skills, such as computer scientists, computer engineers and developers of software, websites and mobile applications.

72. In addition to advancing opportunities for women and girls, culturally and linguistically adequate education contributes to overcoming discrimination and related social problems.

C. Environmental resources and resilience

73. Among the 767 million people who live below the poverty line, 70 per cent largely depend on natural resources for their livelihoods. Growing pressures on land and water have led to an unprecedented degradation of natural resources and damaging economic and social repercussions for the poor.

Ensuring access to land

74. Poverty eradication is directly linked to management of the planet's terrestrial ecosystems and the goods and services they provide. This has a direct bearing on efforts to ensure more equitable access to land and natural resources. Sustainable land management helps to integrate land, water, biodiversity and environmental management, while sustaining ecosystem services and livelihoods.

75. The degradation of arable land has a negative impact on the potential of agriculture to contribute to poverty eradication and sustainable development. In order to meet the food security needs of the world's growing population, efforts are needed to halt land degradation and to restore land already lost or degraded. Access to and use of arable land and rangelands are also challenged by environmental and social pressures, including deforestation, biodiversity loss, pesticide and chemical use and climate change.

76. Women's equal access to and control over resources, including land, varies widely. Though many indigenous peoples enjoy rights to ancestral lands, they often face challenges in the enjoyment of their rights.

77. Many of these challenges are largely recognized in the commitment made as part of target 1.4 of the Sustainable Development Goals to ensure equal rights to economic resources. Sustainable land management is also pivotal to the achievement of many Goals, including Goal 2 (food security), Goal 5 (gender equality), Goal 11 (making human settlements and cities inclusive) and Goal 15 (terrestrial ecosystems).

78. It is important to strengthen capacity at the individual, institutional and systemic levels for sustainable land management and rehabilitation. Successful sustainable land management requires proactive approaches that nurture home-grown food production and incorporate productive capacities that create employment and livelihoods and reduce conflicting land uses in productive landscapes.

79. Promoting a land-degradation neutral model of economic development is one possible option going forward. Land degradation neutrality is a goal which entails adopting sustainable land management policies and practices to minimize current, and avoid future, land degradation, as well as rehabilitating degraded and abandoned lands. This could effectively increase the pool of land resources available while reducing the detrimental impacts from environmental degradation on health, livelihoods and well-being.

Reducing vulnerability to climate-related extreme events and other disasters

80. A changing climate and rapidly growing vulnerability and exposure to disasters present the world with an unprecedented challenge. For many developing countries, which are both less able to cope with the increasing impact and more likely to be affected, the challenge is particularly severe. These countries face mounting losses from a range of natural hazards, from earthquakes and tsunamis to severe flooding, storms and drought, with the threat of decades of development progress being rolled back and poverty becoming entrenched. Meanwhile, climate change cuts across sectors, from agriculture to health, energy and water resources.

81. While linked to natural hazards, the actual impact of disasters is directly related to capacity shortfalls and development choices that increase vulnerabilities and expose people and communities to risk. Disasters are increasingly becoming a poverty trap in hazard-prone areas where persistent poverty and growing income disparities make communities less cohesive, less resilient and less well able to cope.

82. It is important to promote pro-poor and pro-growth adaptation and disaster risk reduction that encourages climate and disaster risk-informed development and livelihoods. That means supporting countries to integrate climate-related risks and opportunities into national planning and poverty reduction, while addressing the needs of more vulnerable groups. Capacity development lies at the heart of effective climate change adaptation.

D. Participation in decision-making

83. In order to be successful, poverty eradication efforts must be rooted in the principle of inclusion. Meaningful involvement of stakeholders in policy and programme formulation and implementation can significantly enhance the effectiveness of poverty eradication interventions.

84. Effective institutions are one of the key vehicles for the participation of stakeholders in decision-making in support of poverty eradication. There is therefore a need to develop capacity for institutions to support stakeholder engagement. It is also important for countries to engage stakeholders in the effective follow-up to and review of policies or interventions to ensure policy integration and results.

E. Systemic challenges and opportunities

85. The international community faces a very different set of development challenges in the second year of implementation of the 2030 Agenda. The Agenda is being implemented in the context of a shifting global environment and continued food, energy, financial, health and environmental challenges across countries, which amplify global systemic risks that may have far-reaching consequences for all countries and local communities.

86. In this context, international cooperation can promote coherence among different poverty eradication strategies and activities, facilitate inclusive cross-sector partnerships and provide capacity support. This may include ensuring better linkages between development, peace and humanitarian assistance and promoting systematic investment in building the resilience of countries and communities.

National ownership

87. Country ownership and government leadership are essential to effective implementation. National poverty eradication policies need to reflect a whole-of-government approach and be owned by all of society, through institutionalized participation that engages all stakeholders, including parliaments and civil society organizations.

88. Achieving genuine country ownership and alignment will require significant shifts in processes and behaviour. Long-term, programme-based policies can facilitate national ownership through the alignment of poverty eradication with national sustainable development strategies.

Global policy framework for poverty eradication

89. The 2030 Agenda serves as a global framework for developing policies to eradicate poverty in all its forms and dimensions. The Agenda commits the international community to bring global solidarity, international cooperation and collective action to new heights in pursuit of eradicating poverty.

90. At the national level, the policy implications involve a transformative focus on eradicating poverty, addressing the furthest behind and adapting institutions and policies in support of country priorities and systems. International policy implications involve promoting coherence among different development agendas and activities, facilitating of inclusive cross-sector partnerships and providing capacity support for policy coherence.

91. Follow-up and review are an integral part of the 2030 Agenda framework. All stakeholders have a collective responsibility for the follow-up to and review of progress towards Goal 1, with a strong focus on mutual learning and knowledge-sharing for better results. The accountability of Governments to the public provides the basis for effective follow-up to and review of progress at all levels and should be further strengthened, including through greater efforts to collect data.

International trade

92. The expansion of international trade has been essential to poverty reduction. Markets for goods and services have become increasingly integrated through a fall in trade barriers, with technology helping drive trade costs lower. The integration of global markets through trade openness contributes to poverty reduction. A sustained effort to deepen economic integration and lower trade costs is essential. Strong economic growth at the national level will be needed to achieve the end of poverty, and trade is an enabler of growth, opening up opportunities for new and better work for the poor. Although progress has been made in reducing trade costs and integrating low-income countries into the global economy, more needs to be done to ensure that they are deriving the development benefits of that progress.

Resources for poverty eradication

93. Stakeholders are advancing a joint, integrated implementation of the 2030 Agenda and the Addis Ababa Action Agenda. The two sets of commitments identify financial resources and the most important means of implementation for poverty eradication, such as capacity-building, technology development and transfer, policy change and multi-stakeholder partnerships. Increased public investment is not only a direct means to fight poverty, but a prerequisite for greater private sector activity.

94. Eradicating poverty requires the mobilization of finance from all sources, including domestic and international public finance, as well as private investments aligned with sustainable development. These financing flows are complementary, not substitutes for one another. For that reason, concessional international public finance remains critical in developing countries that are not currently able to mobilize sufficient finance domestically, in particular in the least developed countries.

95. Eradicating poverty will thus require making new investment choices and larger-scale investments, providing longer-term budget support and broadening multi-stakeholder partnerships at all levels. At the same time, the quality of the relationships between and among implementing partners is important.

96. Leaving no one behind means directing targeted assistance and providing sufficient resources and support to communities and countries with the least resources and weakest capacity, such as the least developed countries. Existing commitments on official development assistance (ODA) must be met. Despite increases in ODA in 2015, many donors still fall far short of commitments. ODA from members of the Development Assistance Committee of the Organization for Economic Cooperation and Development averaged 0.30 per cent of gross national income in 2015, the same level as in 2014, and significantly below the target of 0.7 per cent.

97. Official development assistance to the least developed countries averaged 0.09 per cent of gross national income in 2015, falling short of the lower bound of the United Nations target of 0.15 per cent. Nonetheless, this marked an 8 per cent increase in real terms over 2014, meeting the commitment made in Addis Ababa to reverse the trend of falling ODA to the least developed countries. A survey of donor spending plans through 2019 further suggests that flows to the least developed countries should continue to rise from 2017 to 2019. ODA should be further prioritized in its allocation and more effectively used to directly benefit those furthest behind.

98. Official development assistance can also be an important tool in areas such as domestic resource mobilization, strengthening statistical capacities and mobilizing public-private partnerships in developing countries. The catalytic use of ODA

should be closely monitored against its effectiveness in generating positive outcomes for poverty eradication and sustainable development, and not just in terms of increasing the volume of finance. Development cooperation has great potential for helping countries respond to market failures and asymmetric access to development opportunities and supporting national sustainable development strategies.

99. The growing and complementary contributions of South-South cooperation and triangular cooperation should also be further strengthened. South-South cooperation for poverty eradication provides additional resources and capacity and preserves policy and fiscal space for developing countries. Its long-standing conceptual framework is non-prescriptive, guided by the principles of respect for national sovereignty, national ownership and independence, equality, non-conditionality, non-interference in domestic affairs and mutual benefit. By virtue of its approach, it is capable of harmonizing diverse priorities among stakeholders and ensuring shared ownership and processes. These characteristics are evident, for instance, in the new development and infrastructure banks of the South, which merit further study to generate lessons and knowledge that are relevant for all actors in poverty eradication.

100. South-South cooperation has great potential to reduce asymmetries in access to poverty eradication opportunities and directly respond to local demands. The experience of South-South cooperation shows that the adoption of new policies based on the exchange of knowledge can have a significant impact towards poverty eradication. In this and other ways, South-South cooperation can contribute to increasing policy space. Such cooperation also recognizes the importance of localizing global goals, such as Goal 1, consistent with context-specific demands and levels of capacity to solve local problems. It should thus also be able to strengthen its contributions to creating an enabling environment based on multi-stakeholder partnerships, with the active participation of civil society.

101. The private sector should be more strategically engaged in development cooperation, including in the development and transfer of science, technologies and innovation, in favour of developing countries. Effective engagement of the private sector in poverty eradication begins with building genuine alliances between the public and private sectors on the basis of deeper mutual understanding. The private sector should take Goal 1 as an opportunity to rethink its approach to poverty eradication and sustainable development by aligning businesses with the priorities of the societies in which they operate.

IV. Key policy messages for effective poverty eradication

102. Throughout the 2017 session of the Economic and Social Council, the Council's system, including through its functional commissions and other expert bodies, has offered a broad range of policy messages. Experiences shared indicate that eradicating poverty is a prerequisite to building cohesive, peaceful and sustainable societies. The Commission for Social Development focused on poverty eradication through its priority theme, "Strategies for eradicating poverty to achieve sustainable development for all".

103. The Commission on the Status of Women focused on women's employment, which is critical for poverty eradication. The Commission on Population and Development noted the significance of addressing migration and social protection for poverty eradication. The Permanent Forum on Indigenous Issues included a particular focus on challenges faced by indigenous peoples with regard to poverty and marginalization. The Forum noted the need to improve indicators, household

surveys and other data collection tools to better reflect the situation of indigenous peoples. The Statistical Commission offered relevant insights for strengthening the measurement of poverty, in particular through the further development of the global indicator framework.

104. The Committee for Development Policy undertook analytical work on the graduation of countries from the least developed country category and the enhancement of economic productivity of developing countries, which is essential for effectively eradicating poverty at the national level. The Committee of Experts on Public Administration built on its expertise on institutional accountability to recommend ways to foster the building of strong and accountable institutions that can effectively support the 2030 Agenda and the overarching goal of poverty eradication. The United Nations Forum on Forests addressed the multifaceted role of forests in poverty eradication. The Commission on Narcotic Drugs took steps to align the outcome of the special session of the General Assembly on the world drug problem, held in 2016, entitled "Our joint commitment to effectively addressing and countering the world drug problem" (General Assembly resolution S-30/1) with the Sustainable Development Goals, including Goal 1. The Commission on Science and Technology for Development considered the main theme of poverty eradication through its priority themes of food security and new innovation.

105. Poverty eradication and pro-poor principles were identified by countries, during the 2017 session, as one of the main goals of their national agendas or long-term national strategies. Many countries have been implementing comprehensive and integrated strategies for poverty eradication. Others established holistic governance mechanisms to coordinate and create synergies among line ministries, with some pursuing strategies that consolidate poverty eradication programmes into one ministry. Some countries have integrated a multidimensional approach to poverty eradication in their national development plans.

106. Many countries adopted comprehensive and multidimensional strategies to address youth unemployment and underemployment. Investing in young people was seen as an effective way to eradicate poverty and improve their well-being. Entrepreneurship programmes can assist disadvantaged youth to move out of poverty, while public works schemes provide short-term income-generating opportunities.

107. Eradicating poverty requires efforts from all parts of government to construct a broad set of mutually reinforcing policies and strategies and leverage the synergies between them. More integrated approaches should be taken across sectors. National efforts to eradicate poverty must also be complemented by a favourable international environment, with support measures established at the international level, including in the framework of the United Nations.

108. The Economic and Social Council system has an important role to play in promoting support measures at the global level for the achievement of the Sustainable Development Goals at the national level. Through the normative and analytical work of the Council's various segments and forums, commissions and other expert bodies, the Council offers a holistic platform for countries and development partners to come together and address current and emerging challenges to poverty eradication and sustainable development.

V. Conclusions and recommendations

109. The following main conclusions and policy recommendations are submitted to the Economic and Social Council for its consideration:

(a) The 2030 Agenda recognizes that poverty is multidimensional and comes in different forms; the achievement of the interrelated Sustainable Development Goals and their targets will depend on the ability and willingness of countries and their development partners to harness interlinkages in pursuing the Agenda;

(b) Strengthened and increased collection, dissemination and use of data, as well as qualitative and quantitative research, are needed to ensure that the social and geographic distribution of poverty is well understood and informs evidence-based and data-driven efforts for poverty eradication, with the disaggregation of data forming an essential part of such efforts;

(c) A coherent set of policies at the national level are needed to support inclusive, broad-based economic growth, particularly through policies to strengthen infrastructure and human capacity; promote sustainable industrialization and enhance labour market and competition policies; and make trade, investment and economic integration more effective instruments of poverty reduction;

(d) Inclusive and broad-based growth must be bolstered and complemented by social protection, with social protection instruments being scaled up to support sustainable development and reduce the impact of economic fluctuations and environmental risks, as such social protection has a fundamental role in eradicating poverty by reducing economic insecurity and exclusion, as set out in target 1.3;

(e) Concrete measures to enhance inclusion should be taken as part of poverty eradication efforts, including through the establishment of participatory processes and institutionalized channels of public engagement, with such measures facilitating a shared understanding of the needs of those living in poverty and maximizing the impact of anti-poverty policies;

(f) Sustainable land management policies should be employed to integrate land, water, biodiversity and environmental management, with access to land and security of tenure being addressed, where needed, to meet rising food demands while sustaining ecosystem services and livelihoods;

(g) National action, development cooperation and multi-stakeholder partnerships can support capacity development for climate change adaptation and mitigation, drive progress and innovation, support emergency preparedness and resilience and bridge the transition from crisis response to recovery;

(h) International cooperation should be geared to promote coherence among different poverty eradication strategies and activities, facilitate inclusive cross-sector partnerships and provide capacity support;

(i) Leaving no one behind means directing targeted assistance and providing sufficient resources and support to countries and communities with the least resources and weakest capacity;

(j) The Economic and Social Council should provide clear direction and leadership for the United Nations development system and beyond, including in creating and realigning incentives for promoting synergy and collaboration in efforts towards eradicating poverty;

(k) The Council should also promote dialogue and knowledge-sharing with respect to development cooperation, including on South-South and triangular cooperation, as well as new modalities for financing, partnerships and other critical means for implementing the 2030 Agenda.

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World economic situation and prospects as of mid-2017*

Summary

Global economic growth has strengthened in the past six months, in line with the forecasts reported in the *World Economic Situation and Prospects 2017*. Helped by a moderate recovery in trade and investment, world gross product is expected to expand by 2.7 per cent in 2017 and 2.9 per cent in 2018. While this marks a notable acceleration compared with 2016, growth in many regions remains below the levels needed for rapid progress towards achieving the Sustainable Development Goals.

Underpinning the global economic recovery is firmer growth in many developed economies. Prospects for many economies in transition have also strengthened, while East and South Asia remain the world's most dynamic regions. However, the outlook for some developing regions has deteriorated since January. Prospects for Africa, in particular, raise concerns. Gross domestic product per capita declined in Central, Southern and West Africa in 2016, with negligible per capita growth anticipated in 2017-2018. Indeed, for some of the world's poorest countries, downward revisions to forecasts raise particular concerns for the implementation of the 2030 Agenda for Sustainable Development.

A rebound in confidence and more upbeat economic sentiment suggest that perceptions of risks have diminished in recent months. Nonetheless, this optimism has not yet translated into significant gains in the real economy, and a high degree of uncertainty in the international policy environment continues to cloud the outlook. In many emerging economies, the corporate sector remains vulnerable to sudden changes in financial conditions and destabilizing capital outflows. There is a significant risk that the expectations underpinning buoyant global economic sentiment may be disappointed, leading to a sharp reversal of confidence.

As global commitments to deeper international policy coordination appear to be waning, renewed efforts are needed to ensure progress in key areas of global importance, including aligning the multilateral trading system with the 2030 Agenda for Sustainable Development; expanding international public finance and official development aid; supporting climate finance and clean technology transfer; and addressing the challenges posed by large movements of refugees and migrants.

* The present document updates *World Economic Situation and Prospects 2017* (United Nations publication, Sales No. E.17.II.C.2), released in January 2017.

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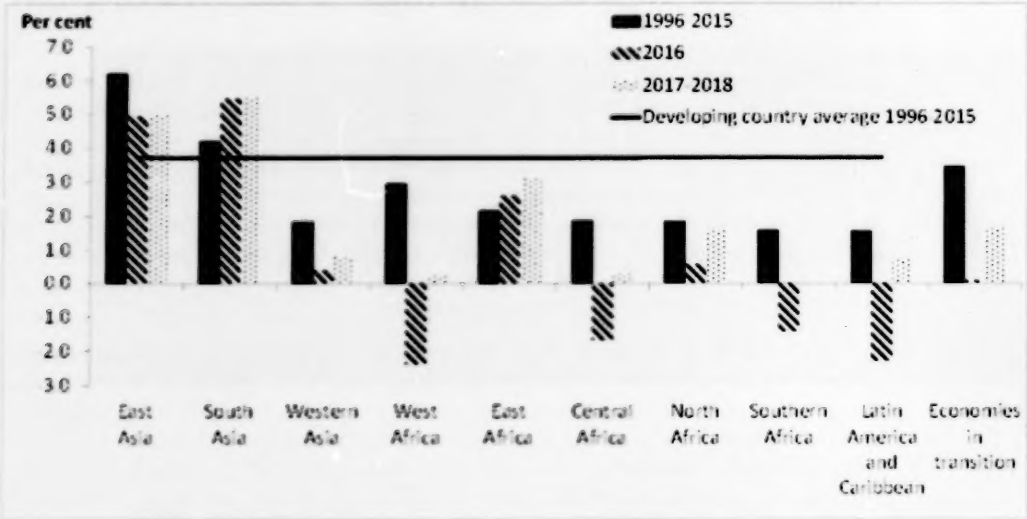
I. Global macroeconomic trends

Global economic prospects

1. A modest strengthening of global economic activity became evident towards the end of 2016 and continued in early 2017, in line with the forecasts reported in the *World Economic Situation and Prospects 2017*. World industrial production has seen an uptick in growth since November 2016, and forward-looking indicators point to further acceleration in the coming months. In tandem with the revival of production, global trade is recovering, reflecting a broad-based improvement in export performance across regions, driven primarily by rising import demand from East Asia. Confidence and economic sentiment indicators have also generally strengthened, especially in developed economies. World gross product is expected to expand by 2.7 per cent in 2017 and 2.9 per cent in 2018 (table), unchanged from the *World Economic Situation and Prospects 2017* forecasts released in January. While this marks a notable acceleration compared with growth of 2.3 per cent in 2016, it is not sufficient to signal the balanced and sustained revival of global demand that is needed to make rapid progress towards achieving the Sustainable Development Goals. Gross domestic product (GDP) per capita declined in four major developing regions in 2016, with negligible per capita growth anticipated in Central, Southern and West Africa in 2017-2018 (figure I).

Figure I
Average annual gross domestic product per capita growth in developing and transition economies



Source: United Nations Statistics Division, National Accounts Main Aggregates database; United Nations Population Division, *World Population Prospects*; and forecasts by the Department of Economic and Social Affairs.

2. Underpinning the global economic recovery is firmer growth in many developed economies, including upward revisions to prospects for the United States of America and Japan. Economies in transition are also generally on a stronger footing, reflecting the slight rise in the oil price and some adjustment in the production structures of energy exporters. East and South Asia remain the world's most dynamic regions, benefiting from robust domestic demand and supportive macroeconomic policies. However, the outlook for some developing regions has

deteriorated since January. The recoveries in Brazil and the Russian Federation are still incipient; growth remains largely subdued in Mexico, Saudi Arabia and South Africa; and economic activity is decelerating in Turkey. Prospects for Africa have been confronted by compounding headwinds, with the mild recovery of many global commodity prices more than offset by domestic and regional pressures, driven largely by conflict and the impact of weather-related shocks. Famine was declared in South Sudan in February 2017, and several other countries are also at high risk, as the world faces one of the most acute humanitarian crises in many decades.

3. A return to strong and balanced global growth may remain elusive for several more years without a revival of investment and productivity. Business investment in the United States and Japan showed some recovery towards the end of 2016. Nonetheless, a prolonged episode of weak investment growth has taken a toll on global productive capacity, and high levels of economic and policy uncertainty continue to weigh on investment decisions in many countries. Despite a recent pick-up, private investment growth in China continues to be restrained by excess capacity in several heavy industries and higher financing costs. Meanwhile, the lower level of commodity prices since mid-2014 has weighed on new investment in many countries, including Brazil, Chile, the Russian Federation and South Africa. In Nigeria, policy shifts leading to heightened financial market volatility have weighed on investor sentiment. Given the close linkages between demand, investment, trade and productivity, the extended episode of weak global investment may perpetuate the lacklustre economic performance, without concerted policy efforts to fill infrastructure gaps and speed the diffusion of innovation within and across countries.

Growth of world output, 2015-2018

	Annual percentage change				*Change from World Economic Situation and Prospects 2017 forecast*	
	2015	*2016[a]*	*2017[b]*	*2018[b]*	*2017*	*2018*
World	2.6	2.3	2.7	2.9	0.0	0.0
Developed economies	2.2	1.6	1.8	1.8	0.1	0.0
United States of America	2.6	1.6	2.1	2.1	0.2	0.1
Japan	1.2	1.0	1.1	0.9	0.2	0.0
European Union	2.2	1.9	1.7	1.7	-0.1	-0.1
EU-15	2.1	1.8	1.6	1.6	0.0	-0.1
EU-13	3.7	2.9	3.2	3.2	0.0	-0.1
Euro area	2.0	1.7	1.6	1.7	-0.1	0.0
Other developed countries	1.5	1.8	2.1	2.1	0.1	-0.1
Economies in transition	-2.3	0.4	1.8	2.0	0.4	0.0
South-Eastern Europe	2.0	2.7	3.1	3.2	0.0	-0.1
Commonwealth of Independent States and Georgia	-2.5	0.3	1.7	1.9	0.3	-0.1
Russian Federation	-3.0	-0.2	1.5	1.5	0.5	0.0
Developing economies	3.8	3.6	4.2	4.8	-0.2	0.1
Africa	3.0	1.6	2.9	3.6	-0.3	-0.2
North Africa	3.0	2.4	3.3	3.6	-0.2	0.0
East Africa	6.7	5.5	5.8	6.3	-0.2	0.0
Central Africa	1.5	1.0	2.5	3.4	-0.9	-0.8
West Africa	3.1	0.3	2.4	3.5	-0.7	-0.6

	Annual percentage change				Change from World Economic Situation and Prospects 2017 forecast	
	2015	2016[a]	2017[b]	2018[b]	2017	2018
Southern Africa	1.9	0.7	1.8	2.6	0.0	0.0
East and South Asia	5.8	5.9	5.8	5.9	-0.1	0.0
East Asia	5.7	5.6	5.6	5.6	0.0	0.0
China	6.9	6.7	6.5	6.5	0.0	0.0
South Asia	6.2	6.8	6.7	7.1	-0.2	0.2
India[c]	7.6	7.0	7.3	7.9	-0.4	0.3
Western Asia	2.7	2.2	2.1	2.9	-0.4	-0.1
Latin America and the Caribbean	-0.6	-1.3	1.1	2.5	-0.2	0.4
South America	-1.9	-2.6	0.6	2.6	-0.3	0.6
Brazil	-3.8	-3.6	0.1	2.6	-0.5	1.0
Mexico and Central America	2.9	2.5	2.3	2.2	0.0	0.0
Caribbean	4.0	1.6	2.5	2.8	-0.2	0.0
Least developed countries	3.5	4.3	4.7	5.3	-0.5	-0.2
Memorandum items:						
World trade[d]	2.8	1.9	2.8	3.2	0.1	-0.1
World output growth with purchasing power parity-based weights	3.2	3.0	3.4	3.7	-0.1	0.0

Source: Department of Economic and Social Affairs.

[a] Partly estimated.

[b] Forecast, based in part on Project LINK.

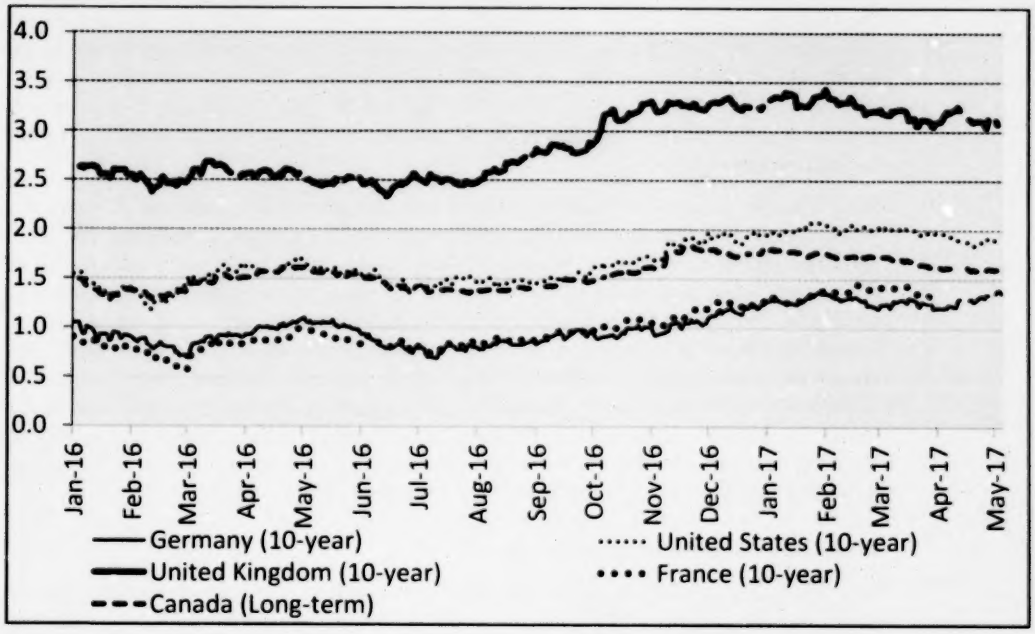
[c] Fiscal year basis.

[d] Includes goods and services.

4. The Federal Open Market Committee of the United States Federal Reserve raised the target range for the federal funds rate by 25 basis points in March, following a rise of the same magnitude in December 2016. With two further interest rate increases expected by the end of 2017, this marks the onset of a faster pace of interest rate hikes in the United States. This will lead to a widening divergence in global interest rates, with the European Central Bank and the Bank of Japan committed to maintaining ultra-low and negative interest rate policies for an extended period, and moves to lower interest rates in many commodity exporting countries as inflationary pressures ease.

5. Inflation dynamics in developed economies reached a turning point towards the end of 2016, leading the President of the European Central Bank to state in March 2017 that "the risks of deflation [in Europe] have largely disappeared", as the Bank slowed the pace of asset purchases. In Japan, inflation has edged above zero, while in the United States and the United Kingdom of Great Britain and Northern Ireland, headline inflation now exceeds 2 per cent. The upward trend in inflation rates has been largely driven by the rise in energy prices relative to the lows reached in early 2016. While this impact is likely to prove transitory, longer-term inflation expectations, as measured by the difference between nominal and inflation-indexed government bond yields, have risen by 0.3-0.4 percentage points since September 2016 in many developed economies (figure II), suggesting that higher levels of inflation may prove more persistent.

Figure II
Breakeven inflation rates from nominal and indexed government bond yields
(Percentage)



Source: Department of Economic and Social Affairs, based on data from Agence France Trésor, Bank of Canada, Bank of England, Bundesbank, German Ministry of Finance and United States Federal Reserve.

6. In many of the large emerging[1] markets, by contrast, price pressures have eased in recent months. Inflation has subsided to one of its lowest levels in more than 25 years in the Russian Federation, and is also low or subsiding in Latin America and in most countries of East and South Asia. Several commodity exporters in South America, parts of Africa and the Commonwealth of Independent States (CIS) cut interest rates in the early months of 2017, diverging from the interest rate path set by the United States. Food price inflation, on the other hand, stands at double-digit levels in 26 countries, of which 18 are in Africa, complicating the conduct of monetary policy. This has been driven largely by agricultural shortages caused by severe drought and other shocks related to El Niño, compounded by conflicts.

7. Fiscal policy is set to become more expansionary — or less restrictive — in many parts of the world. Significant tax cuts and an infrastructure investment programme are under discussion in the United States. Japan has introduced a fiscal stimulus package amounting to 28.1 trillion yen — the third-largest ever implemented. Canada has also introduced an expansionary policy. The stimulus measures in developed economies are largely geared towards infrastructure investment, after several years of steep cuts in government investment spending. Fiscal positions are also generally expansive in East Asia, including China. The rebound in commodity prices will also ease fiscal pressures in many commodity-

[1] The term "emerging economies" throughout the present report is not a formal definition, but refers to mainly middle-income developing and transition countries that are well integrated into the global financial system.

exporting countries, reducing short-term pressure to cut spending, although the longer-term need to diversify government revenue sources remains.

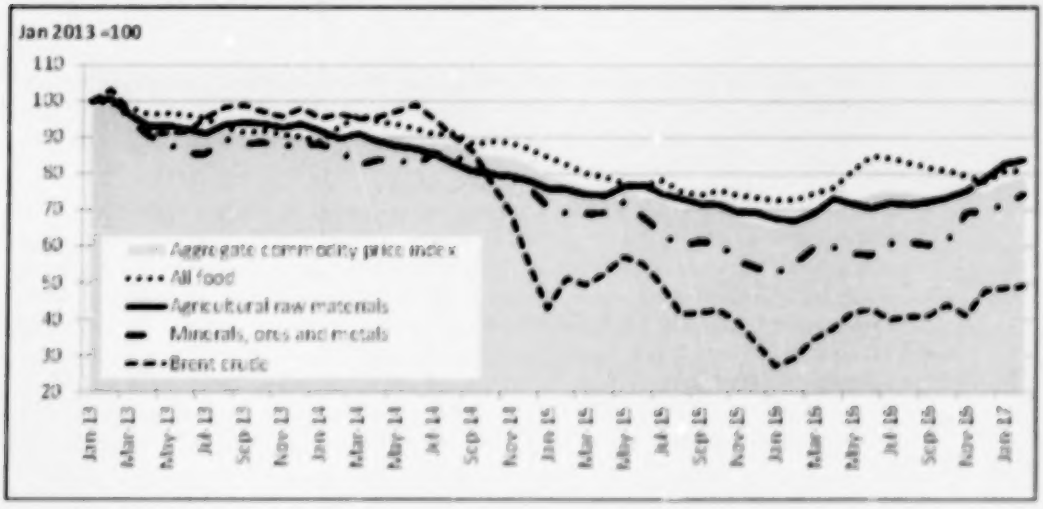
8. The rebound in confidence and economic sentiment indicators observed over the past several months in developed economies suggests that the perceptions of risks faced by households and firms have diminished. Nonetheless, news-based measures of uncertainty, such as the Global Economic Policy Uncertainty Index,[2] remain highly elevated, and the risks highlighted in *World Economic Situation and Prospects 2017* related to changes in the international policy environment continue to obscure the outlook.

9. The Government of the United States has introduced a wide range of measures since taking office in January. However, many policy proposals with the potential for large global economic spillovers — such as the renegotiation of trade deals and the introduction of a major fiscal stimulus — have yet to gain clarity. Similarly, while the time frame for the withdrawal of the United Kingdom from the European Union has been set, progress towards establishing a new framework for their economic relationship post-"Brexit" has yet to begin in earnest. There remains a significant risk that the expectations underpinning buoyant global economic sentiment may be disappointed, leading to a sharp reversal of confidence. Rising security concerns or the exposure of financial vulnerabilities in large emerging economies also have the potential to derail the modest recovery.

Trade flows and commodity prices

10. Many commodity-exporting countries experienced an improvement in terms of trade over the course of 2016, as commodity prices recovered from the lows reached in early 2016. Oil prices edged up further following agreements by the Russian Federation and the Organization of the Petroleum Exporting Countries (OPEC) to cut crude oil production in 2017. Nevertheless, given the high uncertainty in the global environment, oil spot prices will remain volatile, driven by rapid shifts in investor sentiment.

Figure III
Price indices of selected groups of commodities



Source: UNCTADstat.

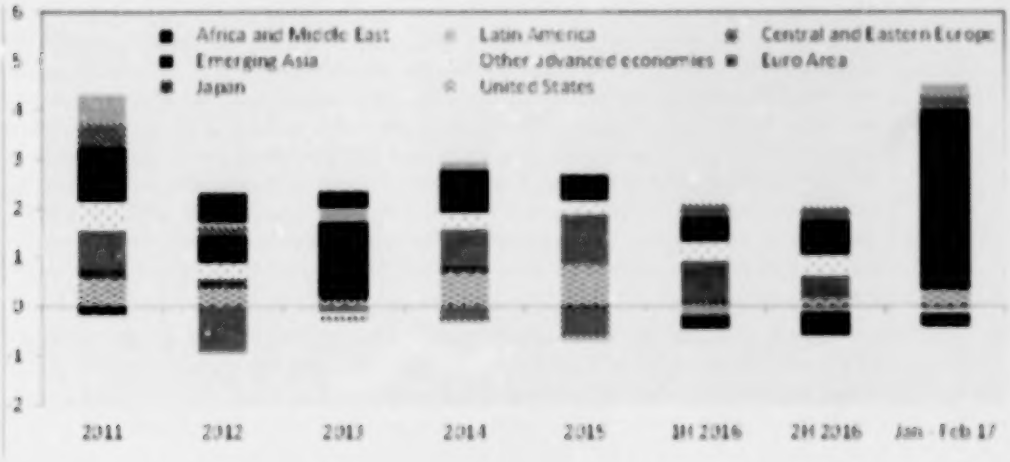
[2] See www.policyuncertainty.com/index.html.

11. Prices of many base metals, such as copper, zinc and nickel, have increased since November 2016, amid expectations of increased infrastructure spending in the United States and stronger-than-expected economic activity in China. The rise in metals prices is also attributable in part to production suspensions in key mining areas, such as nickel mines in the Philippines, copper mines in Chile and Indonesia, and zinc mines in Australia, so that the higher prices do not necessarily indicate higher revenues for all producing countries.

12. Since the final quarter of 2016, indicators such as export orders, international air freight volumes and global shipping costs have pointed to a modest recovery in global trade. Export volumes have picked up across both developed and developing regions, driven largely by stronger demand from emerging Asia (figure IV). However, longer-term trends related to changes in supply chains and slower progress in trade liberalization will restrain a rapid acceleration in world trade. Persistently high uncertainty may also weigh on trade activity, especially if recent trends towards a more restrictive global trade policy environment intensify. The volume of global trade in goods and services is forecast to increase by 2.8 per cent in 2017, following growth of 1.9 per cent in 2016.

Figure IV
Contribution to global import volume growth by region

(Percentage points)



Source: CPB Netherlands Bureau for Economic Policy Analysis.

Capital inflows and exchange rates

13. Capital flows to developing countries rebounded in early 2017, defying concerns over Federal Reserve interest rate hikes and the potential for significant shifts in international policy. Several large emerging economies, especially in Asia and Latin America, recorded strong increases in bond and equity inflows. In conjunction, most emerging market currencies strengthened against the dollar, recovering the losses incurred immediately after the elections in the United States.

14. The observed rebound in capital flows reflects increased optimism over growth prospects in some regions and rising risk appetite among investors amid persistently low yields in developed markets. Investors also appear less concerned about proposals for protectionist policies in the United States, despite potential costs that emerging market exporters may face.

15. Yet, the recent positive trends have taken place in the context of an overall weakness of capital flows to developing countries, which remain well below the levels seen in 2010-2014. Total net financial flows to developing economies were negative for the third consecutive year in 2016, owing in part to rapidly increasing outflows by resident investors in China. Consequently, policymakers in China announced temporary measures to mitigate the pace of capital outflows.

16. Total foreign direct investment (FDI) flows to developing economies fell by an estimated 20 per cent in 2016, as low commodity prices deterred investment in commodity-related sectors, compounding political uncertainty and rising security concerns in several economies. FDI flows to Africa, developing Asia and Latin America also continue to be heavily concentrated in a few large emerging economies. An increase in the value of announced greenfield projects, coupled with more supportive macroeconomic fundamentals, point towards a modest recovery in FDI flows to developing countries in 2017.

17. Despite the recent improvements, cross-border capital flows are susceptible to a deterioration in investor sentiment. Shifts in the international policy environment, rising concerns over financial vulnerabilities in China, political instability or reform setbacks in large emerging economies as well as escalating geopolitical tensions could lead to heightened investor risk aversion, triggering a new wave of capital reversals.

18. Significant uncertainties also loom over international currency markets. In the first weeks following the elections in the United States, the dollar reached its highest level since 2002, pushed up by the prospects of fiscal loosening in the country and a further divergence in monetary policies between the Federal Reserve and other major central banks. Subsequently, the dollar lost most of its post-election gains as investors became more cautious about the prospects for fiscal stimulus in the United States and somewhat more optimistic about the outlook in other major economies. Against the backdrop of a more benign financial environment, many developing economies and economies in transition have seen external and inflationary pressures moderate over the past six months, creating room for easier monetary policy.

19. Going forward, the continued widening of interest rate differentials will likely support the dollar against other developed and emerging currencies. While a strong dollar benefits exporters in many non-dollar-based economies, further appreciation poses a risk for countries that struggle with high dollar-denominated debt.

Poverty and inequality

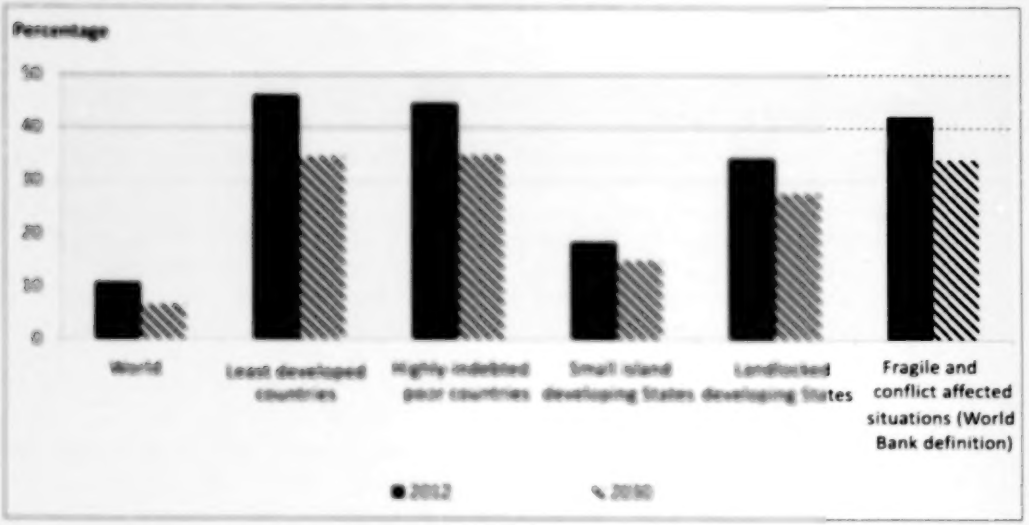
20. While prospects for GDP growth at the global level remain unchanged from *World Economic Situation and Prospects 2017*, the outlook for several of the least developed countries and countries where poverty levels remain high have deteriorated, raising concerns about both the short-term and longer-term prospects for addressing poverty and inequality. Of immediate concern, tens of millions face famine or severe food insecurity in parts of Kenya, north-east Nigeria, Somalia, South Sudan and Yemen, where widespread displacement and food supply blockages as the result of conflict are compounded by droughts that have destroyed crops and livestock. Other short-term concerns include the rise in food price inflation in many countries, which is likely to have a disproportionate impact on the poorest households, deepening inequalities within and between countries.

21. In the longer-term, tackling poverty requires both an acceleration in GDP growth and progress towards reducing income inequality. Figure V illustrates projections for poverty reduction by 2030, based on an extension of the baseline forecasts under the assumption that within-country income distributions remain

unchanged. The results paint a worrying picture. Without reducing income inequality, current growth projections would leave nearly 35 per cent of the population in least developed countries in extreme poverty by 2030.

Figure V

Extreme poverty headcount ratios in 2012 and projections for 2030, holding inequality constant



Source: Department of Economic and Social Affairs. See *World Economic Situation and Prospects 2017*.

22. Policymakers will need to make additional efforts, both to foster an environment that will accelerate medium-term growth prospects and to tackle poverty through policies that address inequalities in income and opportunity. The World Bank report[1] highlights selected policies that have been largely successful at reducing income inequality. These include short-term policies to smooth consumption among the most deprived, and longer-term policies that address inequalities in opportunity, such as investment in early childhood development, access to health care and education, and investment in rural roads and electrification.

Energy and environment

23. Global energy-related carbon emissions have stalled for three consecutive years in the context of expanding world output and low oil prices, marking a tentative step towards the delinking of emissions growth and global economic growth. Key factors behind this development include growing renewable power generation, improvements in energy efficiency, transition from coal to natural gas and decelerated economic growth in some major carbon emitters.

24. However, the improvements witnessed in recent years could easily reverse without concerted effort from the public and private sectors to improve energy efficiency and promote renewable energy. A return to stronger GDP growth may also result in higher levels of emissions, while low oil prices have the potential to derail efforts towards low-carbon transport, by deterring investment in technologies

[1] World Bank, *Poverty and Shared Prosperity 2016: Taking on Inequality* (Washington, D.C., 2016).

that compete with oil-based transportation, such as biofuels and electric vehicles, and reducing incentives to transition towards more fuel-efficient vehicles.

25. The reluctance of the Group of 20 (G-20) Finance Ministers and Central Bank Governors and the Group of Seven Energy Ministers to reaffirm the call for timely implementation of the Paris Agreement raises concerns about global commitments going forward, as does the current review of climate policies by the United States.

II. Economic outlook by regions

Developed economies

26. Economic activity in the United States accelerated in the second half of 2016, reflecting a strong rise in spending on consumer durables and residential investment, coupled with a turn in the inventory cycle as firms restocked depleted inventories. Investment in mining industries also rebounded in the final quarter, which may reflect the anticipated easing of environmental regulation and modest rise in the oil price. Economic activity in 2017 will gain some support from additional government spending. The Administration has requested a net increase in spending of $18 billion for the period up to September 2017. If approved, this will add 0.1 percentage points to growth, allowing GDP to expand by 2.1 per cent in 2017 and 2018.

27. The policy environment in the United States remains turbulent, as proposals by the Administration confront congressional and judicial hurdles. While the preliminary Budget Blueprint for the next financial year is budget neutral,[4] it excludes the infrastructure programme and tax cuts that are expected to be announced later in the year. These pose an upside risk to the current forecast. The Blueprint does detail proposed shifts in the composition of government spending, which includes a 10 per cent rise in spending on defence and border protection, offset by cuts in all areas of non-defence spending, including education, health care, environmental protection and development aid.

28. In Canada, uncertainty regarding United States trade policy has delayed a recovery in investment. Investment in 2017 will also be held back by the completion of the Hebron oil field platform, which has supported construction activity in the region for the past decade. Expansionary fiscal policy, on the other hand, will support economic activity in Canada, allowing GDP growth to accelerate to 2.2 per cent in 2017 and 2.3 per cent in 2018.

29. The macroeconomic policy stance in Japan remains highly accommodative, underpinning the forecast for GDP growth of 1.1 per cent in 2017. A significant rise in government investment is anticipated, as part of a 3 trillion yen (0.5 per cent of GDP) infrastructure investment programme. Private sector non-residential investment also showed signs of revival at the end of 2016 and may gain some near-term support in relation to the 2020 Olympic Games. With the population aged 15-64 declining at an average annual rate of 1 per cent, economic growth exceeds the expansion of capacity, and the output gap is positive. Nonetheless, inflation is unlikely to reach the central bank target of 2 per cent in 2017 or 2018. Nationwide consumer price inflation averaged -0.1 per cent in 2016, but rose to 0.3 per cent in early 2017, reflecting higher energy prices, depreciation of the yen and a tight labour market, with the unemployment rate hovering just below 3 per cent.

[4] Office of Management and Budget, *America First: A Budget Blueprint to Make America Great Again*, March 2017. Available from www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/2018_blueprint.pdf.

30. Growth in the European Union will remain robust at 1.7 per cent in 2017 and 2018, in line with the previous forecast. Private consumption has become a major driver behind this solid performance, reflecting improved labour market conditions, with a decline in the unemployment rate to 8.0 per cent in early 2017 and a solid pace in job creation. However, this aggregate number encompasses a wide range of national trends. Unemployment remains challengingly high in countries such as Greece and Spain, while labour markets in Czechia, Germany and some other countries exhibit signs of full employment and even labour shortages in certain areas.

31. On the business side, investment will also underpin solid growth, based on strong corporate profits and low interest rates. Nevertheless, the pace of investment will remain slower compared with previous periods, in view of heightened political and policy uncertainty. Continued robust intra-European Union demand will be a major component of growth, especially in the more export-dependent economies and sectors, such as machinery and automobiles. However, the heightened level of political and policy uncertainty, related to a number of national parliamentary elections, and the lack of clarity regarding the future framework for trade of the European Union with both the United Kingdom and, to some extent, also the United States, exposes Europe to a number of channels for possible negative growth shocks.

Economies in transition

32. Growth in the Commonwealth of Independent States and Georgia will accelerate to 1.7 per cent in 2017 and 1.9 per cent in 2018. The CIS energy-exporters will benefit from the recovery in oil prices. In the Russian Federation, the contraction in GDP by 0.2 per cent in 2016 was milder than anticipated, and GDP will expand by 1.5 per cent in 2017. Domestic demand has strengthened, but will remain a drag on growth, as consumption gains are limited, fiscal spending is declining in real terms, and investment is held back by uncertainties, economic sanctions and a weak banking sector. In Kazakhstan, a modest acceleration of growth is projected in 2017, supported by stimulus measures. To escape the low-growth trajectory, CIS energy-exporters need to pursue alternative development models independent of energy revenues.

33. Among the energy-importers, the economy of Ukraine has shown a tentative recovery in 2016, supported by an ample harvest and a surge in construction, but renewed internal instability in early 2017 stands to damage the key energy and steel sectors. In Belarus, weak domestic demand continues to dampen the recovery. Among the smaller economies, Armenia is suffering from a contracting construction sector. A stronger expansion is possible in Central Asia, supported by a rebound in remittances to Kyrgyzstan and Tajikistan and by deepening links with China. The CIS region is facing significant risks, including banking sector fragilities exacerbated by depreciations, external debt repayments and ongoing geopolitical tensions.

34. In South-Eastern Europe, aggregate GDP growth is expected to accelerate from 2.7 per cent in 2016 to 3.1 per cent in 2017 and 3.2 per cent in 2018. The region has received large FDI inflows in recent years and this is starting to be reflected in increased output capacity.

Developing countries

Asia

35. Following a slight growth moderation in 2016, East Asia is projected to expand at a steady pace of 5.6 per cent in both 2017 and 2018, in line with the

previous forecast. Growth in the region will continue to be driven by robust domestic demand, in particular private consumption and public investment. The region will also benefit from a recovery in exports, amid a gradual improvement in global and intra-regional demand. Despite supportive financial conditions in the region, private investment is likely to remain subdued amid heightened uncertainty.

36. Growth in China is projected to moderate from 6.7 per cent in 2016 to 6.5 per cent in 2017 and 2018. The stronger-than-expected growth in China in 2016 and in early 2017 was attributable in part to policy stimulus measures. While ongoing structural reform measures will continue to dampen investment in sectors with excess capacity, domestic demand will remain supported by accommodative fiscal measures. Nevertheless, increasing financial sector vulnerabilities, such as elevated corporate debt and property prices, are posing a growing policy challenge.

37. Most other economies in the region will see a pick-up in growth. Private consumption will remain the key driver of growth, amid rising incomes and modest inflationary pressures. Growth in Indonesia and Malaysia will be further lifted by higher commodity prices, while economic activity in the Philippines and Thailand will benefit from large public infrastructure spending.

38. Downside risks to the region's growth outlook have increased. A more restrictive global trade environment would adversely affect East Asia's overall growth prospects, given the region's high trade openness. In addition, a sharper-than-expected slowdown in China would have large spillover effects to the region through trade, financial and investment channels. For several economies in the region, high private sector debt continues to pose a risk to financial stability and growth. In this challenging environment, fiscal policy is likely to play a key role in boosting domestic demand and supporting the region's development priorities.

39. South Asia will see growth of 6.7 per cent in 2017 and 7.1 per cent in 2018, amid vigorous private consumption, domestic reforms and supportive macroeconomic policies. Despite temporary disruptions from the demonetization policy, economic conditions in India remain robust, underpinned by sound fiscal and monetary policies and the implementation of key domestic reforms. Yet, stressed balance sheets in the banking and corporate sectors will prevent a strong investment rebound in the near term. Growth in the Islamic Republic of Iran is strengthening, owing to increasing oil production and exports and rising private investment. Meanwhile, economic growth in Nepal and Maldives is expected to gain momentum, while Bangladesh, Bhutan and Pakistan are projected to maintain a moderately robust growth path. Regional inflation reached a multi-decade low last year and is projected to remain generally stable, providing space for accommodative monetary policy in most economies. Sri Lanka, is an exception, however, as inflationary pressures coupled with stubbornly high credit expansion have resulted in a tighter monetary stance.

40. In most economies, fiscal policy has remained moderately tight, but with some flexibility to boost public infrastructure. A key challenge is to improve fiscal revenues and the capacity to implement counter-cyclical policies, which requires a broadening of the tax base and improved tax compliance. Given the large infrastructure gaps, public investments should crowd-in private investments in areas such as energy, transport and water/sanitation. Domestic reform setbacks, heightened political instability and a sudden tightening of global financing conditions, however, pose downside risks. In addition, a surge in inflation can rapidly force a tighter monetary stance, dampening private consumption, as currently observed in Sri Lanka. The favourable regional outlook will be conducive for further improvements in the labour market and gains in poverty reduction.

41. Western Asia is forecast to see aggregate growth of 2.1 per cent in 2017 and 2.9 per cent in 2018. For 2017, this constitutes a significant downward revision from 2.5 per cent in *World Economic Situation and Prospects 2017*, owing mainly to weaker prospects in Turkey. Balance-of-payments pressures, after a substantial depreciation of the Turkish lira, are constraining domestic demand.

42. In view of the rising oil prices, cautious optimism emerged among the member States of the Gulf Cooperation Council, namely Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. The broad money stock growth has been recovering in those countries after a significant plunge last year, indicating a moderate domestic demand expansion, amid stable financing costs. Fiscal consolidation efforts continue among member countries of the Council, including subsidy reforms, the privatization of State enterprises, and the planned introduction of the Gulf Cooperation Council unified value-added tax in 2018.

43. For Jordan and Lebanon, the outlook remains subdued owing to weak prospects for domestic demand. Both countries experienced rising inflation as the terms-of-trade advantage of weak commodity prices dissipated. Israel will continue to see robust growth, driven by a stable domestic demand expansion, with low inflation despite a tightening labour market. Humanitarian crises in Iraq, the Syrian Arab Republic and Yemen continue. While several signs of economic stabilization have started to emerge in Iraq, in Yemen an estimated 65 per cent of the population has been classified as food-insecure.

Africa

44. Growth in Africa remains subdued, owing to more severe headwinds than previously expected. Modest growth rates of 2.9 per cent and 3.6 per cent are expected in 2017 and 2018, respectively, down from forecasts of 3.2 per cent and 3.8 per cent in January.

45. Forecasts for 2017 were lowered in all subregions except Southern Africa, which is expected to benefit from the small recovery in commodity prices and a better harvest. However, tighter external financing conditions, currency depreciation and political instability could undermine prospects. In East Africa, growth will be driven by investment supported by government incentives, while current weather patterns will act as a significant drag on growth. Despite remaining the fastest growing African region, the situation of the poorest remains critical. In North Africa, the downward revision is driven primarily by rapid inflation in Egypt. Stronger growth is anticipated in 2018, as the stabilizing security situation and stronger demand from Europe should prompt a recovery in tourism and trade. The prospects for Central Africa remain subdued as a result of low oil revenues and political stability risks. Similarly, pressures on the oil sector and foreign exchange constraints keep growth prospects down in Nigeria and, consequently, West Africa.

46. Despite tight monetary stances, inflation will remain elevated, owing to gradually rising commodity prices, lagged effects of currency depreciations and dry weather in East Africa. High food inflation is particularly worrying, as it has a severe impact on the poor. Fiscal deficits remain stable but high, as a result of increases in infrastructure and social spending.

47. The outlook is subject to a number of risks. A more pronounced slowdown in China would negatively impact many economies that receive rising levels of FDI and investment finance from China. A sharper rise in global yields and a stronger United States dollar would deteriorate external financing conditions, offset slightly by increased remittances. Security issues and political instability also pose critical threats. More than 20 million people face starvation and famine in north-east Nigeria, Somalia and South Sudan as the result of drought and protracted conflicts.

Finally, should weather-related shocks continue, severe economic and social consequences are expected.

Latin America and the Caribbean

48. Following two years of negative GDP growth, Latin America and the Caribbean will see a modest economic recovery in 2017 and 2018. The region's GDP contracted by 1.3 per cent in 2016 amid deeper-than-expected recessions in Argentina, Brazil and the Bolivarian Republic of Venezuela. With Argentina and Brazil projected to recover gradually, regional growth is forecast at 1.1 per cent in 2017 and 2.5 per cent in 2018. The region continues to face significant uncertainties and risks, especially related to macroeconomic policy measures in the United States and domestic reform agendas.

49. South America is expected to see a broad-based, but slow recovery in growth. Lower inflation, easier monetary conditions and, in some cases, improved macroeconomic fundamentals will support private consumption and investment. Across the subregion, inflationary pressures have declined more rapidly than expected in recent quarters and currencies have remained firm, giving central banks room to reduce interest rates. South America's commodity exporters will likely benefit from stronger external demand and slightly higher commodity prices. Despite the expected improvement, several factors will weigh on the growth performance of South America during the forecast period, including elevated unemployment, the continuing need for fiscal consolidation, and structural obstacles, such as low productivity growth and a lack of economic diversification.

50. The outlook for Mexico and Central America has remained largely unchanged, with growth projected to barely exceed 2 per cent. In Mexico, private consumption and investment has so far shown resilience to a potential introduction of protectionist measures in the United States. While tighter monetary conditions and elevated uncertainty will weigh on economic activity in the coming quarters, annual growth is projected to slow only mildly. In the Caribbean, average GDP growth is likely to improve from the slow pace of 2016, when Cuba and Trinidad and Tobago registered economic contractions. The subregion continues to be characterized by stark differences in economic performance. The Dominican Republic is among the fastest-growing economies in Latin America and the Caribbean, whereas most of the smaller economies of the subregion remain on a low growth path.

Least developed countries

51. Economic prospects in many of the least developed countries have deteriorated since January 2017. GDP for this group as a whole is expected to rise by just 4.7 per cent in 2017 and 5.3 per cent in 2018, well below the Sustainable Development Goal target of "at least 7 per cent GDP growth". The rise in consumption per capita is expected to average just 1.7 per cent between 2016 and 2018, well below the pre-crisis average in the vast majority of countries. The economic slowdown, compounding widespread institutional deficiencies, poses a risk to critical efforts to support health care, education, social protection and adapting to climate change, and points to slower progress towards improving living standards and tackling widespread poverty.

III. Major uncertainties and risks to the global economy

52. The risks to the baseline forecasts discussed in section I are tilted to the downside. Persistently high policy uncertainty is likely to prevent a strong rebound in private investment globally. Amid widening interest rate differentials in

developed countries, financial markets remain vulnerable to bouts of heightened risk aversion, triggered by sudden policy shifts, unexpected economic data, as well as an escalation in geopolitical tensions. In the developed economies, while business sentiments have risen and stock markets have been buoyant, it remains to be seen whether these financial trends will translate into stronger real economic activity, in particular a sustained revival of private investment.

Changes in the international policy environment

53. As highlighted in the *World Economic Situation and Prospects 2017*, the shifting international policy landscape has generated large and widespread global uncertainty in the areas of trade, immigration and environment. Rising discontent with the uneven burdens and gains of globalization has in part fuelled more protectionist and inward-looking views in some developed economies. This is also increasingly undermining multilateral engagements and international cooperation and coordination in several domains. The rapid evolution in the international policy environment has the potential to considerably impact the growth trajectory of the global economy, while affecting progress on the various social and environmental aspects of the Sustainable Development Goals.

54. The decision by the United Kingdom to leave the European Union is one source of policy uncertainty. In March 2017, the United Kingdom triggered article 50 of the Treaty of Lisbon, formally starting the process of leaving the European Union. Exiting from the European Union requires a comprehensive reconstitution of a host of relationships, including trade, financial and migration arrangements between the United Kingdom and the European Union as well as between the United Kingdom and other partners whose relationship with the United Kingdom is currently covered by European Union treaties. Against this backdrop, the United Kingdom faces the prospect of higher trade barriers in its future trade with the European Union, for example in terms of technical and administrative regulations. There is also considerable uncertainty over whether the redefined trade and investment policies of the United Kingdom may limit market access for developing countries. This may have negative implications on the growth and development prospects of countries with high dependence on exports to the United Kingdom.

55. A resurgence of trade protectionism constitutes a key downside risk to the global outlook. In March, the statement by the G-20 Finance Ministers did not reaffirm a commitment to "resist all forms of protectionism" for the first time in 10 years. Meanwhile, the latest World Trade Organization (WTO) *Trade Monitoring Report* noted that the overall stock of trade-restrictive measures continued to trend upwards in 2016, owing to a slow rollback of existing measures and a relatively rapid introduction of new restrictive measures, mainly non-tariff barriers. The shifting policy landscape in the United States and in parts of Europe also points to a rise of unilateral protectionist tendencies in some developed countries. An increasingly restrictive global trade policy environment will slow progress towards the Sustainable Development Goals, given the close linkages between trade, productivity and income growth.[5] Reducing restrictions to trade in services would also contribute towards raising export capacity, increasing productivity and encouraging structural transformation consistent with development objectives.

56. The United States has announced a sweeping review of its existing trade relationships. The new Administration withdrew the United States from the Trans-

[5] World Bank, *Making trade an engine of growth for all: the case for trade and for policies to facilitate adjustment*, Washington, D.C. 2017. Available from http://documents.worldbank.org/curated/en/318651491579082111/Making-trade-an-engine-of-growth-for-all-the-case-for-trade-and-for-policies-to-facilitate-adjustment.

Pacific Strategic Economic Partnership Agreement, has also announced its intention to renegotiate other major trade agreements, and put forward proposals to impose ad hoc import tariffs on goods from certain locations, which could trigger legal action before WTO and spur retaliatory effects. This would be particularly detrimental for the trade outlook of countries where the United States is a major export destination, including Canada, China and Mexico. Furthermore, there will also be considerable spillover effects to countries where global and regional value chains are prevalent, such as the developing economies of Asia.

57. The policy agenda in the United States also encompasses some upside potential, which may have positive global spillovers. A more expansionary fiscal policy, with an emphasis on infrastructure, and tax reform measures, including lower corporate taxes, could raise private investment and output, at least in the short term. Nevertheless, these initiatives are still in early stages and there are widespread uncertainties regarding their timing and nature, particularly with respect to fiscal sustainability considerations. The current Administration has also announced plans to ease financial regulations, particularly the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. However, while there is scope for simplification and efficiency gains in this area, major policy shifts towards deregulating the financial sector entail non-trivial, medium-term financial risks for the global economy. Also, some of these policies might strengthen the value of the dollar further, which, coupled with rising interest rates, can deepen the vulnerabilities of emerging economies, as discussed in the next section.

Monetary tightening in the United States and vulnerabilities in emerging economies

58. Following almost a decade of extremely loose monetary policy, the Federal Reserve is embarking on an accelerated pace of interest rate rises. As interest rates normalize, the Federal Reserve will look to begin unwinding the post-crisis quantitative easing that more than quadrupled the size of its balance sheet between 2008 and 2014. In the outlook period, this major policy shift may pose significant challenges to the global economy and financial markets. The timing of interest rate hikes is uncertain, with the potential for stronger growth and higher inflationary pressures to lead to a faster-than-expected pace. Coordinating the normalization of policy rates with the normalization of the Federal Reserve balance sheet poses a number of challenges, with significant potential for maturity or liquidity mismatches to disrupt financial markets. Meanwhile, many emerging economies remain highly vulnerable to external and domestic shocks, amid relatively low commodity prices, structural weaknesses and political uncertainty.

59. Against this backdrop, the ongoing monetary tightening in the United States encompasses significant financial and economic risks for the emerging economies. A faster-than-expected rise in interest rates, especially if accompanied by a spike in risk aversion, could generate significant global financial volatility. Amid tighter global financial conditions, a sudden surge in capital outflows from the emerging economies would adversely impact equity prices and currencies, while significantly raising external borrowing costs and reducing monetary policy space. Recent evidence suggests that macroeconomic fundamentals in emerging economies tend to provide little insulation to sudden changes in financing conditions, and that real economy effects from "sudden stops" episodes have not declined in recent years.[6] The emerging economies with high borrowing needs, large dollar-denominated debt

[6] Barry Eichengreen and Poonam Gupta, "Managing sudden stops", Policy Research Working Paper, No. 7639 (Washington, D.C., World Bank, April 2016).

and fragile macroeconomic conditions will be the most susceptible to large and potentially destabilizing capital outflows.

60. The corporate sectors in emerging economies are especially vulnerable to sudden changes in financial conditions. Corporate debt in emerging economies has risen by more than four times in the past decade,[7] particularly in Brazil, China, the Russian Federation and Turkey, and the debt service-to-income ratio of the private non-financial sector has also visibly increased.[8] Corporate borrowing in global dollar bond markets has expanded rapidly, fuelled by a remarkably long period of low long-term interest rates and offshore borrowing by large emerging market firms through their subsidiaries abroad. Corporate debt in foreign currency has increased not only in the tradable sector, but also in non-tradable sectors, such as construction and real estate, where currency mismatch problems pose more of a risk.[9] The "financialization" of the corporate sector in emerging economies in order to exploit carry trade opportunities is another source of fragility. A significant part of the corporate debt of emerging markets was channelled neither to productive investments nor to high-productivity sectors, highlighting a misallocation of resources that casts a shadow over debt sustainability. Likewise, in China a large portion of credit has been channelled to less-efficient State-owned enterprises and local governments. As a result, the corporate sector in the emerging economies has become more vulnerable to interest rates shocks, which could be amplified by a decline in commodity prices, a further strengthening of the dollar or moves to sideline or dismantle multilateral agreements.

61. There are, however, several factors that may assist emerging economies to navigate tighter global financial conditions. In response to lower commodity prices and capital flows, several emerging economies have already experienced large macroeconomic adjustments in recent years. Current accounts deficits have narrowed visibly in Brazil, India and South Africa, and some countries have undergone significant corporate deleveraging, in particular the Russian Federation. In economies where real interest rates remain high, such as China, the authorities have some monetary policy space available to support growth. Greater exchange rate flexibility, improved net international investment positions and, in many cases, enhanced policy frameworks in comparison to previous decades, have facilitated this adjustment. From a medium-term perspective, growth prospects in many emerging economies remain largely favourable. Finally, emerging economies are also more prepared than decades ago to utilize a wider policy toolkit to manage external shocks, including through the use of monetary, fiscal, exchange rate and macroprudential policies.

IV. Policy challenges

62. Waning global commitments to international policy coordination, rising corporate sector vulnerabilities and ambitious medium-term targets for economic, social and environmental development in the 2030 Agenda for Sustainable Development pose significant global policy challenges.

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[7] International Monetary Fund, *Vulnerabilities, Legacies, and Policy Challenges: Risks Rotating to Emerging Markets, Global Financial Stability Report*, October 2015.

[8] United Nations Conference on Trade and Development, *Trade and Development Report, 2016* (United Nations publication, Sales No. E.16.II.D.5).

[9] Michael Chui and others, "A new dimension to currency mismatches in the emerging markets: nonfinancial companies", Bank for International Settlements Working Papers No. 550 (March 2016).

63. In the aftermath of the global financial crisis, an excessive emphasis was put on monetary policy alone to manage the deficiencies in aggregate demand. While this played an important role in economic stabilization, a consensus has emerged over the past several years that a more balanced policy mix is needed to achieve a higher medium- and long-term sustainable growth rate, to address poverty and inequality and to fight the damaging consequences of climate change. This policy toolkit may encompass a more effective use of fiscal policy, but also requires a move beyond policies of demand management to tackle structural issues. For example, reforms to the business environment may streamline administrative procedures and protect property rights; active industrial policies may be used to remedy market failures and encourage innovation and the absorption of new technologies; income policies could address poverty and widen access to social protection; investing in education, health, infrastructure and green technology would encourage progress towards social and environmental goals, while supporting economic growth; and regulatory reform could be designed to minimize financial risks, while ensuring funding for small and medium-sized businesses.

64. In the light of the rising corporate sector vulnerabilities in many emerging economies, it is also important to closely monitor the expansion of credit. In cases where rising levels of debt are not matched by a commensurate increase in productive investment or where currency mismatches are pervasive, targeted prudential measures are needed. Where macroeconomic fundamentals have strengthened, policy measures should refocus from short-term stimulus to tackling longer-term potential. Many developing countries need much higher investment rates, as well as higher labour force participation rates, especially where the participation of women in the workforce remains low, to move to a higher growth trajectory.

65. Global commitments to international policy coordination appear to be waning. In the face of pressing global challenges, it is crucial that the international community reaffirms these commitments, to tackle key areas of global importance, including aligning the multilateral trading system with the 2030 Agenda for Sustainable Development, expanding international public finance and official development assistance (ODA), supporting climate finance and clean technology transfer, and coordinating policy to address the challenges posed by large movements of refugees and migrants.

66. International trade, supported by a universal, rules-based, open, non-discriminatory and equitable multilateral trading system, has been a key factor driving economic growth in both developed and developing economies. While more open trade has in some cases been associated with job losses and declining wages for certain categories of workers, aligning the multilateral trading system with the 2030 Agenda for Sustainable Development has the potential to speed the rate of technological diffusion between countries and improve the efficiency of resource allocation, supporting jobs on both sides of the trading relationship. The replacement of multilateral rules with a network of bilateral agreements would have a negative impact on development prospects in many developing economies. A renewed commitment to multilateralism in international trade during the G-20 summit, to be held in Hamburg, Germany, in July 2017, and at the Eleventh WTO Ministerial Conference, to be held in Buenos Aires in December 2017, would offer clear signals.

67. International development aid has declined as a share of GDP since the global financial crisis, and ODA continues to fall well short of the commitment, reaffirmed by developed countries in the 2030 Agenda, to provide aid equivalent to 0.7 per cent of gross national income. The level of net ODA flows to least developed countries in United States dollar terms has declined by more than 10 per cent since 2011,

which is of particular concern in the light of the slowdown in growth prospects for several countries and the urgent investment needs to achieve the Sustainable Development Goals. International cooperation to ensure that aid budgets are not only maintained but increased is essential, as well as ensuring that aid is directed towards countries with the greatest needs, rather than used as a political tool to target countries on the basis of their strategic importance.

68. Renewed international cooperation is also needed in the area of managing the flow of refugees and displaced persons, which poses a significant challenge for many countries. The inflow of migrants and refugees places enormous pressure on institutional capacities in destination and transit countries, often affecting their own social and economic cohesion and development. To address these challenges, Member States are aiming to achieve both a global compact on refugees and a global compact for safe, orderly and regular migration in 2018, to be elaborated through a process of intergovernmental negotiations. This will require an intense cooperation among countries, and the active involvement of the United Nations development system and international financial institutions, to achieve tangible results in addressing the gaps in available funding, technical cooperation, data collection and information exchange, the provision of emergency relief assistance, and other key areas.

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Economic and environmental questions: Sustainable development

Progress towards the Sustainable Development Goals

Report of the Secretary-General

Summary

Pursuant to General Assembly resolution 70/1, the Secretary-General, in cooperation with the United Nations system, has the honour to submit the report on progress towards the Sustainable Development Goals. The report provides a global overview of the current situation of the Goals, on the basis of the latest available data for indicators in the global indicator framework.[a]

[a] The report was submitted on 10 May 2017 because of new data updates from a few international organizations.

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Introduction

1. The present report, mandated by the General Assembly in paragraph 83 of its resolution 70/1 on transforming our world: the 2030 Agenda for Sustainable Development, informs the high-level political forum on progress towards the Sustainable Development Goals. The report is prepared annually by the Secretary-General in cooperation with the United Nations system. It is based on a global indicator framework developed by the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, which was adopted by the Statistical Commission at its forty-eighth session, held in March 2017 (see E/2017/24, chap. I, sect. A, and annex II).

2. The report provides an overview of global progress towards the 17 Goals of the 2030 Agenda, on the basis of a selection of indicators for which data were available as of April 2017. Some targets are not reflected at this stage, owing to the lack of data, or because they are measured by indicators that are still undergoing methodological development. For most indicators presented in the report, values represent global, regional and subregional aggregates. They are calculated from data from national statistical systems, compiled by international agencies, on the basis of their respective mandates and specialized expertise. The national data are often adjusted for international comparability and, where lacking, estimations are made by international agencies.[1]

3. The composition of regions and subregions in the present report is based on United Nations geographical regions, with some modifications necessary to create, to the extent possible, groups of countries for which aggregates are meaningful.[2] Although the aggregated figures presented are a convenient way to track progress, the situation of individual countries within a given region may vary significantly from regional averages. A supplementary document (English only) that contains the statistical annex for the report and a database of available global, regional and country data and metadata for the Sustainable Development Goals indicators is available at https://unstats.un.org/sdgs.

4. The availability of high-quality, timely and disaggregated data is vital for evidence-based decision-making and to ensure accountability for implementation of the 2030 Agenda. Tracking progress on the Sustainable Development Goals requires an unprecedented amount of data and statistics at all levels, which poses a major challenge to national and international statistical systems. The global statistical community is working to modernize and strengthen statistical systems to address all aspects of the production and use of data for sustainable development.

Goal 1. End poverty in all its forms everywhere

5. Despite the fact that the global poverty rate has been halved since 2000, intensified efforts are required to boost the incomes, alleviate the suffering and build the resilience of those individuals still living in extreme poverty, in particular in sub-Saharan Africa. Social protection systems need to be expanded and risks need to be mitigated for disaster-prone countries, which also tend to be the most impoverished.

[1] Additional information pertaining to the indicators presented in the present report, availability of data and methodological development of the Sustainable Development Goals indicators, and the full list of contributing organizations are available at: http://unstats.un.org/sdgs.

[2] Details of the regional groupings used in the present report are available at: https://unstats.un.org/sdgs/indicators/regional-groups/.

- In 2013, an estimated 767 million people lived below the international poverty line of $1.90 a day — down from 1.7 billion people in 1999. That figure reflects a decrease in the global poverty rate from 28 per cent in 1999 to 11 per cent in 2013. The most significant progress was seen in Eastern and South-Eastern Asia, where the rate declined from 35 per cent in 1999 to 3 per cent in 2013. In contrast, 42 per cent of people in sub-Saharan Africa continued to subsist in conditions of extreme poverty in 2013.

- In 2016, just under 10 per cent of the world's workers were living with their families on less than $1.90 per person per day, down from 28 per cent in 2000. In the least developed countries, nearly 38 per cent of workers in 2016 were living below the poverty line.

- Social protection systems are fundamental to preventing and reducing poverty and inequality at every stage of people's lives, through benefits for children, mothers with newborns, persons with disabilities, older persons and those persons who are poor and without jobs. Preliminary data show that in 2016, only 64 per cent of the world's population was effectively protected by a social protection system and that coverage varied widely across countries and regions.

- In 2016, 68 per cent of people above retirement age received a pension and more than half of people with severe disabilities collected disability benefits. However, that global average masks large regional differences. In Oceania, excluding Australia and New Zealand, and in sub-Saharan Africa, only 5 per cent and 21 per cent, respectively, of people above retirement age received a pension in 2016.

- Other vulnerable groups lack social protections as well. In 2016, only 28 per cent of unemployed individuals worldwide received unemployment benefits and only 34 per cent of women giving birth received maternity benefits.

- Building the resilience of the poor and strengthening disaster risk reduction is a core development strategy for ending extreme poverty in the most afflicted countries. Economic losses from disasters are now reaching an average of $250 billion to $300 billion a year. Disaster risk globally is highly concentrated in low- and lower-middle-income countries. In relation to the size of their economies, small island developing States have borne a disproportionate impact.

Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture

6. Efforts to combat hunger and malnutrition have advanced significantly since 2000. Ending hunger, food insecurity and malnutrition for all, however, will require continued and focused efforts, especially in Asia and Africa. More investments in agriculture, including government spending and aid, are needed to increase capacity for agricultural productivity.

- The proportion of undernourished people worldwide declined from 15 per cent in 2000-2002 to 11 per cent in 2014-2016. About 793 million people are undernourished globally, down from 930 million people during the same period.

- In 2016, an estimated 155 million children under 5 years of age were stunted (too short for their age, a result of chronic malnutrition). Globally, the stunting rate fell from 33 per cent in 2000 to 23 per cent in 2016. Southern Asia and

sub-Saharan Africa accounted for three quarters of all stunted children that year.

- In 2016, an estimated 52 million children under 5 years of age worldwide suffered from wasting (with a low weight for their height, usually the result of an acute and significant food shortage and/or disease). The global wasting rate in 2016 was 7.7 per cent, with the highest rate (14.8 per cent) in Central and Southern Asia. At the other end of the spectrum, overweight and obesity affected 41 million children under 5 years of age worldwide (6 per cent) in 2016.

- Ending hunger demands sustainable food production systems and resilient agricultural practices. One aspect of that effort is maintaining the genetic diversity of plants and animals, which is crucial for agriculture and food production. In 2016, 4.7 million samples of seeds and other plant genetic material for food and agriculture were preserved in 602 gene banks throughout 82 countries and 14 regional and international centres — a 2 per cent increase since 2014. Animal genetic material has been cryoconserved, but only for 15 per cent of national breed populations, according to information obtained from 128 countries. The stored genetic material is sufficient to reconstitute only 7 per cent of national breed populations should they become extinct. As of February 2017, 20 per cent of local breeds were classified as at risk.

- Increased investments are needed to enhance capacity for agricultural productivity. However, the global agriculture orientation index — defined as agriculture's share of government expenditure divided by the sector's share of gross domestic product (GDP) — fell from 0.38 in 2001 to 0.24 in 2013 and to 0.21 in 2015.

- The share of sector-allocable aid allocated to agriculture from member countries of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD) fell from nearly 20 per cent in the mid-1980s to 7 per cent in the late 1990s, where it remained through 2015. The decline reflects a shift away from aid for financing infrastructure and production towards a greater focus on social sectors.

- In 2016, 21 countries experienced high or moderately high domestic prices, relative to their historic levels, for one or more staple cereal food commodities. Thirteen of those countries were in sub-Saharan Africa. The main causes of high prices were declines in domestic output, currency depreciation and insecurity. Localized increases in fuel prices also drove food prices higher.

- Some progress has been made in preventing distortions in world agricultural markets. The global agricultural export subsidies were reduced by 94 per cent from 2000 to 2014. In December 2015, members of the World Trade Organization adopted a ministerial decision on eliminating export subsidies for agricultural products and restraining export measures that have a similar effect.

Goal 3. Ensure healthy lives and promote well-being for all at all ages

7. Since 2000, impressive advancements have been made on many health fronts. However, to meet the Sustainable Development Goals health targets by 2030, progress must be accelerated, in particular in regions with the highest burden of disease.

Reproductive, maternal, newborn and child health

- In 2015, the global maternal mortality ratio stood at 216 maternal deaths per 100,000 live births. Achieving the target of less than 70 maternal deaths by 2030 requires an annual rate of reduction of at least 7.5 per cent, more than double the annual rate of progress achieved from 2000 to 2015. Most maternal deaths can be prevented. In 2016, 78 per cent of live births worldwide benefited from skilled care during delivery, compared to 61 per cent in 2000. In sub-Saharan Africa, however, the rate in 2016 was only 53 per cent of live births.

- The mortality rate for children under 5 years of age globally was 43 deaths per 1,000 live births in 2015. That rate represents a 44 per cent reduction since 2000. Mortality among children under 5 years of age remains high in sub-Saharan Africa, with a rate of 84 deaths per 1,000 live births in 2015.

- Children are most vulnerable in the first 28 days of life (the neonatal period). In 2015, the global neonatal mortality rate was 19 deaths per 1,000 live births, a decrease from 31 deaths per 1,000 live births in 2000. Neonatal mortality is highest in Central and Southern Asia and in sub-Saharan Africa, at 29 deaths per 1,000 live births in each of those regions in 2015.

- Preventing unintended pregnancies and reducing adolescent childbearing through universal access to sexual and reproductive health care is crucial to the health and well-being of women, children and adolescents. In 2017, 78 per cent of women of reproductive age (15 to 49 years of age) worldwide who were married or in union had their need for family planning satisfied with modern methods, up from 75 per cent in 2000. Progress has been substantial in the least developed countries, with a rise of 18 percentage points from 2000 to 2017.

- Globally, childbearing among adolescents 15 to 19 years of age declined by 21 per cent from 2000 to 2015; in Northern America and Southern Asia, it dropped by more than 50 per cent. However, the adolescent birth rate remains high in two thirds of all countries, with more than 20 births per 1,000 adolescent girls in 2015.

Infectious diseases

- Major advances have been made in combating infectious diseases. Globally in 2015, there were 0.3 new HIV (human immunodeficiency virus) infections per 1,000 uninfected people; among children under 15 years of age, there were 0.08 new HIV infections. That data represents a decline of 45 per cent and 71 per cent, respectively, since 2000. The incidence of HIV infection remained highest in sub-Saharan Africa, with 1.5 new infections per 1,000 uninfected people in 2015.

- In 2015, 10.4 million new cases of tuberculosis were reported worldwide, which represents 142 new cases per 100,000 people, or a decline of 17 per cent since 2000. The global malaria incidence rate in 2015 was 94 per 1,000 people at risk, a 41 per cent decrease since 2000. In 2015, 1.6 billion people required mass or individual treatment and care for neglected tropical diseases, a 21 per cent decline from 2010.

- Around 1.34 million deaths were attributed to hepatitis in 2015, including 0.9 million deaths owing to hepatitis B. Hepatitis B can be prevented through vaccinations; global coverage of vaccinations for that disease among children 1 year of age increased from 29 per cent in 2000 to 84 per cent in 2015.

- A major risk factor for infectious diseases and mortality is the lack of safe water, sanitation and hygiene (WASH) services, which disproportionately affects sub-Saharan Africa and Central/Southern Asia. Death rates owing to the lack of WASH services in those two regions were 46 and 23 per 100,000 people, respectively, compared to 12 per 100,000 people globally in 2012.

Non-communicable diseases and mental health

- Premature deaths (before 70 years of age) owing to cardiovascular disease, cancer, chronic respiratory disease or diabetes totalled about 13 million in 2015, accounting for 43 per cent of all premature deaths globally. From 2000 to 2015, the risk of dying between 30 and 70 years of age from one of those four causes decreased from 23 per cent to 19 per cent, falling short of the rate required to meet the 2030 target of a one-third reduction.
- Such mental disorders as depression can lead to suicide. Nearly 800,000 suicides occurred worldwide in 2015, with men about twice as likely to commit suicide as women.
- Tobacco and alcohol use contributes to the burden of non-communicable diseases. The World Health Organization (WHO) Framework Convention on Tobacco Control has been ratified by 180 parties, which represent 90 per cent of the global population. Still, more than 1.1 billion people, mostly men, consumed tobacco in 2015. The prevalence of smoking among those individuals 15 years of age and older dropped from 23 per cent in 2007 to 21 per cent in 2013. In 2016, the average consumption of pure alcohol was 6.4 litres per year per person among those individuals 15 years of age or older.
- Indoor and ambient air pollution is the greatest environmental health risk. Globally in 2012, household air pollution from cooking with unclean fuels or inefficient technologies led to an estimated 4.3 million deaths, while ambient air pollution from traffic, industrial sources, waste burning or residential fuel combustion resulted in an estimated 3 million deaths.

Other health risks

- In 2013, about 1.25 million people died from road traffic injuries, the leading cause of death among males between 15 and 29 years of age. Road traffic deaths have increased by about 13 per cent globally since 2000.
- Worldwide in 2015, an estimated 108,000 people died as a result of unintentional poisoning. That figure represents 1.5 deaths per 100,000 people, a 33 per cent decrease since 2000.

Health systems and funding

- In 2015, total official flows for medical research and basic health from all donor countries and multilateral organizations amounted to $9.7 billion, an increase in real terms of 30 per cent since 2010. Of that amount, the member countries of the Development Assistance Committee of OECD contributed $4.3 billion.
- Available data from 2005 to 2015 indicate that about half of all countries, including almost all the least developed countries, have fewer than 1 physician and fewer than 3 nurses or midwives per 1,000 people.

Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

8. Achieving inclusive and equitable quality education for all will require increasing efforts, especially in sub-Saharan Africa and Southern Asia and for vulnerable populations, including persons with disabilities, indigenous people, refugee children and poor children in rural areas.

- In 2014, about 2 in 3 children worldwide participated in pre-primary or primary education in the year prior to official entry age for primary school. However, in the least developed countries, the ratio was only 4 in 10.
- Despite considerable gains in education enrolment over the past 15 years, worldwide, the adjusted net enrolment rates were 91 per cent for primary education, 84 per cent for lower secondary education and 63 per cent for upper secondary education in 2014. About 263 million children and youth were out of school, including 61 million children of primary school age. Sub-Saharan Africa and Southern Asia account for over 70 per cent of the global out-of-school population in primary and secondary education.
- Even though more children than ever are going to school, many do not acquire basic skills in reading and mathematics. Recent learning assessment studies show that in 9 of 24 sub-Saharan African countries and 6 of 15 Latin American countries with data, fewer than half of the students at the end of primary education had attained minimum proficiency levels in mathematics. In 6 of 24 sub-Saharan African countries with data, fewer than half of the students who finished their primary schooling had attained minimum proficiency levels in reading.
- Equity issues constitute a major challenge in education according to a recent assessment. In all countries with data, children from the richest 20 per cent of households achieved greater proficiency in reading at the end of their primary and lower secondary education than children from the poorest 20 per cent of households. In most countries with data, urban children scored higher in reading than rural children.
- The lack of trained teachers and the poor condition of schools in many parts of the world are jeopardizing prospects for quality education for all. Sub-Saharan Africa has a relatively low percentage of trained teachers in pre-primary, primary and secondary education (41 per cent, 72 per cent and 55 per cent, respectively). Moreover, the majority of schools in the region do not have access to electricity or potable water.
- On the basis of data from 65 developing countries, the average percentage of schools with access to computers and the Internet for teaching purposes is above 60 per cent in both primary and secondary education. However, the share is less than 40 per cent in more than half of sub-Saharan countries with data.
- Official development assistance (ODA) for scholarships amounted to $1 billion in 2015, a decrease from $1.2 billion in 2014. Australia, France and the United Kingdom of Great Britain and Northern Ireland were the largest contributors.

Goal 5. Achieve gender equality and empower all women and girls

9. Gender inequality persists worldwide, depriving women and girls of their basic rights and opportunities. Achieving gender equality and the empowerment of women and girls will require more vigorous efforts, including legal frameworks, to counter deeply rooted gender-based discrimination that often results from patriarchal attitudes and related social norms.

- On the basis of data from 2005 to 2016 for 87 countries, 19 per cent of women between 15 and 49 years of age said they had experienced physical and/or sexual violence by an intimate partner in the 12 months prior to the survey. In the most extreme cases, such violence can lead to death. In 2012, almost half of all women who were victims of intentional homicide worldwide were killed by an intimate partner or family member, compared to 6 per cent of male victims.
- Child marriage is declining, but not fast enough. Around 1990, nearly 1 in 3 women between 20 and 24 years of age reported that they were married before 18 years of age. Around 2015, the ratio was just over 1 in 4. The decline is driven by an even steeper reduction in the marriage rate among girls under 15 years of age during that period.
- The harmful practice of female genital mutilation/cutting has declined by 30 per cent over the last three decades. Nevertheless, prevalence remains high in some of the 30 countries with representative data. In those countries, survey data from around 2015 indicate that more than 1 in 3 girls between 15 and 19 years of age have undergone the procedure compared to nearly 1 in 2 girls in the mid-1980s.
- The average amount of time spent on unpaid domestic and care work is more than threefold higher for women than men, according to survey data from 84 countries and areas. Available data indicate that time spent on domestic chores accounts for a large proportion of the gender gap in unpaid work.
- Globally, women's participation in single or lower houses of national parliaments reached 23.4 per cent in 2017, just 10 percentage points higher than in 2000. Such slow progress suggests that stronger political commitment and more ambitious measures and quotas are needed to boost women's political participation and empowerment.
- Women are still underrepresented in managerial positions. In the majority of the 67 countries with data from 2009 to 2015, fewer than a third of senior- and middle-management positions were held by women.
- Just over half (52 per cent) of women between 15 and 49 years of age who are married or in union make their own decisions about consensual sexual relations and use of contraceptives and health services. That statistic is based on available data from around 2012 for 45 countries, 43 of which are in developing regions.

Goal 6. Ensure availability and sustainable management of water and sanitation for all

10. Access to safe water and sanitation and sound management of freshwater ecosystems are essential to human health and to environmental sustainability and economic prosperity.

- In 2015, 6.6 billion people (over 90 per cent of the world's population) used improved drinking water sources and 4.9 billion people (over two thirds of the world's population) used improved sanitation facilities. In both cases, people without access live predominantly in rural areas. Achieving universal access to basic sanitation and ending the unsafe practice of open defecation will require substantial acceleration of progress in rural areas of Central and Southern Asia, Eastern and South-Eastern Asia and sub-Saharan Africa.
- Effective water and sanitation management relies on the participation of a range of stakeholders, including local communities. A 2016-2017 survey found that over 80 per cent of 74 responding countries had clearly defined procedures for engaging service users/communities in water and sanitation management.
- More than 2 billion people globally are living in countries with excess water stress, defined as the ratio of total freshwater withdrawn to total renewable freshwater resources above a threshold of 25 per cent. Northern Africa and Western Asia as well as Central and Southern Asia experience water stress levels above 60 per cent, which indicates the strong probability of future water scarcity.
- In 2012, 65 per cent of the 130 countries that responded to a survey on integrated water resources management reported that management plans were in place at the national level.
- ODA for the water sector has been rising steadily, but has remained relatively constant as a proportion of total ODA disbursements, at approximately 5 per cent since 2005. In 2015, ODA disbursements in the water sector totalled about $8.6 billion, which represents an increase of 67 per cent in real terms since 2005.

Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all

11. Progress in every area of sustainable energy falls short of what is needed to achieve energy access for all and to meet targets for renewable energy and energy efficiency. Meaningful improvements will require higher levels of financing and bolder policy commitments, together with the willingness of countries to embrace new technologies on a much wider scale.

- Globally, 85.3 per cent of the population had access to electricity in 2014, an increase of only 0.3 percentage points since 2012. That means that 1.1 billion people, predominantly rural dwellers, still function without electricity. Half of those people live in sub-Saharan Africa.
- Access to clean fuels and technologies for cooking climbed to 57.4 per cent in 2014, up slightly from 56.5 per cent in 2012. More than 3 billion people, the majority of them in Asia and sub-Saharan Africa, are still cooking without clean fuels and more efficient technologies.
- The share of renewable energy in final energy consumption grew modestly from 2012 to 2014, from 17.9 per cent to 18.3 per cent. Most of the increase was from renewable electricity from water, solar and wind power. Solar and wind power still make up a relatively minor share of energy consumption, despite their rapid growth in recent years. The challenge is to increase the share of renewable energy in the heat and transport sectors, which together account for 80 per cent of global energy consumption.

- From 2012 to 2014, three quarters of the world's 20 largest energy-consuming countries had reduced their energy intensity — the ratio of energy used per unit of GDP. The reduction was driven mainly by greater efficiencies in the industry and transport sectors. However, that progress is still not sufficient to meet the target of doubling the global rate of improvement in energy efficiency.

Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

12. Increasing labour productivity, reducing the unemployment rate, especially for young people, and improving access to financial services and benefits are essential components of sustained and inclusive economic growth.

- The average annual growth rate of real GDP per capita worldwide was 1.6 per cent from 2010 to 2015, compared to 0.9 per cent in 2005-2009. In the least developed countries, the per capita growth rate accelerated from 3.5 per cent in 2000-2004 to 4.6 per cent in 2005-2009, before slowing to 2.5 per cent in 2010-2015. Overall average annual GDP growth in the least developed countries followed a similar trend, decelerating from 7.1 per cent in 2005-2009 to 4.9 per cent in 2010-2015, below the Sustainable Development Goals target of 7 per cent.

- The growth of labour productivity (GDP per worker) globally has slowed from an average annual rate of 2.9 per cent from 2000 to 2008 to 1.9 per cent from 2009 to 2016. The slowdown represents a negative development for the global economy, with adverse effects on living standards and real wages.

- The global unemployment rate stood at 5.7 per cent in 2016, with women more likely to be unemployed than men across all age groups. Youth were almost three times as likely as adults to be unemployed, with unemployment rates of 12.8 per cent and 4.4 per cent, respectively, in 2016. Moreover, in more than 76 per cent of countries with data, more than 1 in 10 youth are neither in the educational system nor working. Young women are more likely than young men to fall into that category in almost 70 per cent of countries with data.

- While the number of children from 5 to 17 years of age who are working has declined from 246 million in 2000 to 168 million in 2012, child labour remains a serious concern. More than half of child labourers (85 million children) participate in hazardous work and 59 per cent of them work in the agricultural sector. Girls have made greater progress than boys, with the number of girls engaged in child labour declining by 40 per cent during the period 2000-2012, compared to a decline of 25 per cent for boys.

- Access to financial services enables individuals and firms to manage changes in income, deal with fluctuating cash flows, accumulate assets and make productive investments. Access to financial services through automated teller machines increased by 55 per cent worldwide from 2010 to 2015. Commercial bank branches grew by 5 per cent during the same period, with the lower growth explained by increased digital access to financial services. Globally, there were 60 automated teller machines and 17 commercial bank branches per 100,000 adults in 2015. From 2011 to 2014, 700 million adults became new account holders and the share of adults with an account at a financial institution increased from 51 per cent to 61 per cent.

- After contracting slightly in 2014, aid for trade rose 5.4 per cent in real terms to reach $53.9 billion in 2015 owing to a recovery in commitments for trade-

related infrastructure and further growth in support of banking and agriculture. Aid for trade commitments to the least developed countries increased in 2015 by $4.3 billion, reaching $17.2 billion. The Enhanced Integrated Framework, an aid-for-trade programme dedicated to those countries, started its second phase in 2016 and will run to 2022. Donor commitments to the Framework stood at $55.3 million in 2016, with $17.3 million already disbursed to the Trust Fund.

Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

13. Despite steady improvements in manufacturing output and employment, renewed investment will be needed in the least developed countries to build needed infrastructure and ensure the doubling of industry's share of GDP in those countries by 2030.

- Efficient transportation services generate employment and wealth and drive economic development. In 2015, the estimated global economic impact (both direct and indirect) of air transport was $2.7 trillion, equivalent to 3.5 per cent of global GDP. The least developed countries, landlocked developing countries and small island developing States represent far less air travel and freight volumes, with each country group accounting for only 1 per cent to 2.7 per cent of the global total.
- Manufacturing is a principal driver of economic development, employment and social stability. Globally, manufacturing value added as a share of GDP increased from 15.3 per cent in 2005 to 16.2 per cent in 2016. In 2016, manufacturing value added per capita amounted to $4,621 in Northern America and Europe, compared to about $100 in the least developed countries.
- As many countries move to more efficient and less energy-intensive industries, their emissions of carbon dioxide per unit of manufacturing value added are generally declining. From 2000 to 2014, Northern America and Europe reduced their emissions intensity by 36 per cent and Eastern Asia reduced its emissions intensity by 23 per cent. All of the 10 largest manufacturing countries saw decreases in their emissions intensity. Such promising trends are not reflected in the global emissions intensity level, however, since a significant share of global manufacturing value added has moved to countries with generally higher intensity levels.
- In 2014, investments in research and development stood at 1.7 per cent of global GDP, up from 1.5 per cent in 2000. Worldwide, there were 1,098 researchers per million inhabitants in 2014, ranging from 63 in the least developed countries to 3,500 in Northern America and Europe.
- ODA for economic infrastructure in developing countries reached $57 billion in 2015, an increase of 32 per cent in real terms since 2010. The main recipient sectors were transport and energy ($19 billion each).
- Manufacturing is increasingly shifting towards more technologically complex products. While medium- and high-tech products continue to dominate manufacturing production in industrialized economies (where they contribute about 80 per cent of total manufacturing output), the share has barely reached 10 per cent in least developed countries.
- Mobile-cellular services have spread rapidly and have allowed people living in previously unconnected areas to join the global information society. In 2016,

95 per cent of the world's population and 85 per cent of people in the least developed countries were covered by a mobile-cellular signal. However, only 29 per cent of rural populations had access to a mobile-broadband network.

Goal 10. Reduce inequality within and among countries

14. Progress in reducing inequality within and among countries has been mixed. The voices of developing countries still need to be strengthened in decision-making forums of international economic and financial institutions. Moreover, while remittances can be a lifeline for families and communities of international migrant workers in their countries of origin, the high cost of transferring money continues to reduce such benefits.

- From 2008 to 2013, the per capita income or consumption of the poorest 40 per cent of the population improved more rapidly than the national average in 49 of 83 countries (accounting for three quarters of the world's population) with data.
- The International Monetary Fund, through its recent quota reform, has increased the share of developing countries' vote (defined as countries in developing regions, according to the M49 classification) to 37 per cent in 2016, up from 33 per cent in 2010. That increase is still short of the 74 per cent they represent in the membership. While the World Bank reforms of 2010 are still being implemented, that effort has not changed the 38 per cent share of voting rights at the International Bank for Reconstruction and Development that developing countries have held since 2000.
- Duty-free treatment and favourable access conditions for exports from least developed and developing countries have expanded. From 2005 to 2015, the proportion of tariff lines globally with duty-free treatment for products that originate in developing countries increased from 41 per cent to 50 per cent; for products that originate in the least developed countries, the proportion rose from 49 per cent to 65 per cent.
- The least developed countries and small island developing States continue to require additional assistance to ensure that they share in the benefits of sustainable development. In 2015, total resource flows to the least developed countries and small island developing States amounted to $48 billion and $6 billion, respectively. Eight donor countries met the target of 0.15 per cent of gross national income (GNI) for ODA to the least developed countries.
- The benefits of remittance from international migrant workers are reduced somewhat by the generally high cost of transfer. On average, post offices and money transfer operators charge over 6 per cent of the amount remitted; commercial banks charge 11 per cent. Both are significantly above the 3 per cent target. New and improved technologies, such as prepaid cards and mobile operators, result in lower fees for sending money home (between 2 per cent and 4 per cent), but are not yet widely available or used for many remittance corridors.

Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable

15. In recent decades, the world has experienced unprecedented urban growth. In 2015, close to 4 billion people — 54 per cent of the world's population — lived in cities and that number is projected to increase to about 5 billion people by 2030.

Rapid urbanization has brought enormous challenges, including growing numbers of slum dwellers, increased air pollution, inadequate basic services and infrastructure, and unplanned urban sprawl, which also make cities more vulnerable to disasters. Better urban planning and management are needed to make the world's urban spaces more inclusive, safe, resilient and sustainable. As of 2016, more than 142 countries were developing national-level urban policies.

- The proportion of the urban population that lives in developing country slums fell from 39 per cent in 2000 to 30 per cent in 2014. Despite some gains, the absolute number of urban residents who live in slums continued to grow, owing in part to accelerating urbanization, population growth and lack of appropriate land and housing policies. In 2014, an estimated 880 million urban residents lived in slum conditions, compared to 792 million urban residents in 2000.

- As more and more people move to urban areas, cities typically expand their geographic boundaries to accommodate new inhabitants. From 2000 to 2015, in all regions of the world, the expansion of urban land outpaced the growth of urban populations. As a result, cities are becoming less dense as they grow, with unplanned urban sprawl challenging more sustainable patterns of urban development.

- The safe removal and management of solid waste represents one of the most vital urban environmental services. Uncollected solid waste blocks drains, causes flooding and may lead to the spread of water-borne diseases. On the basis of data from cities in 101 countries from 2009 to 2013, 65 per cent of the urban population was served by municipal waste collection.

- Air pollution is a major environmental health risk. In 2014, 9 of 10 people who live in cities were breathing air that did not comply with the safety standard set by WHO.

Goal 12. Ensure sustainable consumption and production patterns

16. Achieving Goal 12 requires a strong national framework for sustainable consumption and production that is integrated into national and sectoral plans, sustainable business practices and consumer behaviour, together with adherence to international norms on the management of hazardous chemicals and wastes.

- Decoupling economic growth from natural resource use is fundamental to sustainable development. Global figures, however, point to worsening trends: domestic material consumption (the total amount of natural resources used in economic processes) increased from 1.51 kg to 1.73 kg per unit of GDP from 2000 to 2010. Total domestic material consumption also rose during the same period — from 48.7 billion tons to 71.1 billion tons. The increase is due in part to rising natural resource use worldwide, in particular in Eastern Asia.

- Countries continue to address challenges linked to air, soil and water pollution and exposure to toxic chemicals under the auspices of multilateral environmental agreements. Almost all States Members of the United Nations are party to at least one of those conventions. Under the conventions' obligations, countries are requested to regularly report data and information related to hazardous wastes, persistent organic pollutants and ozone depleting substances. However, from 2010 to 2014, only 57 per cent of the parties to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, 71 per cent of the parties to the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous

Chemicals and Pesticides in International Trade and 51 per cent of the parties to the Stockholm Convention on Persistent Organic Pollutants provided the requested data and information. All parties reported to the Montreal Protocol on Substances that Deplete the Ozone Layer.

Goal 13. Take urgent action to combat climate change and its impacts

17. Planetary warming continued in 2016, setting a new record of about 1.1 degrees Centigrade above the preindustrial period, according to the *WMO* (World Meteorological Organization) *Statement on the State of the Global Climate in 2016*. In the Statement, WMO also noted that the extent of global sea ice fell to a minimum of 4.14 million km^2 in 2016, the second lowest extent on record. Atmospheric carbon dioxide levels also reached a record high of 400 parts per million that year. Mitigating climate change and its impacts will require building on the momentum achieved by the Paris Agreement on Climate Change, which entered into force on 4 November 2016. Stronger efforts are needed to build resilience and limit climate-related hazards and natural disasters.

- Parties to the Paris Agreement are expected to prepare, communicate and maintain successive nationally determined contributions. The nationally determined contributions reflect official country responses to climate change and contributions to global climate action. As of 20 April 2017, 143 parties ratified the Paris Agreement, of which 137 parties (136 countries and the European Commission) communicated their first nationally determined contributions to the secretariat of the United Nations Framework Convention on Climate Change.

- As of 20 April 2017, seven developing countries successfully completed and submitted the first iteration of their national adaptation plans, in response to climate change.

- Developed countries have committed to jointly mobilizing $100 billion per year by 2020 to address the climate-related needs of developing countries and to continue that level of support through 2025. Initial efforts to mobilize resources for the Green Climate Fund raised $10.3 billion and developed-country parties are strongly urged to scale up their financial support.

- The number of deaths attributed to natural disasters continues to rise, despite progress in implementing disaster risk reduction strategies. From 1990 to 2015, more than 1.6 million people died in internationally reported natural disasters.

- Many countries have begun implementing national and local disaster risk reduction strategies. In 2014-2015, most reporting countries indicated that environmental impact assessments, legislation on protected areas, climate change adaptation projects and programmes, and integrated planning played a major role in reducing underlying risk factors.

Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development

18. The increasingly adverse impacts of climate change (including ocean acidification), overfishing and marine pollution are jeopardizing recent gains in protecting portions of the world's oceans.

- Global trends point to continued deterioration of coastal waters owing to pollution and eutrophication (excessive nutrients in water, frequently a result of run-off from land, which causes dense plant growth and the death of animal life from lack of oxygen). Of the 63 large marine ecosystems evaluated under the Transboundary Waters Assessment Programme, 16 per cent of the ecosystems are in the "high" or "highest" risk categories for coastal eutrophication. They are located mainly in Western Europe, Southern and Eastern Asia, and the Gulf of Mexico.

- Ocean acidification is closely linked to shifts in the carbonate chemistry of the waters, which can lead to a significant weakening of the shells and skeletons of many marine species (such as reef-building corals and shelled molluscs). Studies of marine acidity at open ocean and coastal sites around the world have indicated that current levels are often outside preindustrial bounds.

- Overfishing reduces food production, impairs the functioning of ecosystems and reduces biodiversity. The proportion of world marine fish stocks within biologically sustainable levels has declined from 90 per cent in 1974 to 68.6 per cent in 2013. However, the trend has slowed and appears to have stabilized from 2008 to 2013.

- Small-scale fisheries face numerous challenges. In response, about 70 per cent of the respondents to a survey representing 92 countries and the European Union have introduced or developed regulations, policies, laws, plans or strategies specifically targeting small-scale fisheries.

- When effectively managed and well resourced, marine protected areas are important mechanisms for safeguarding ocean life. In 2017, protected areas cover 13.2 per cent of the marine environment under national jurisdiction (up to 200 nautical miles from shore), 0.25 per cent of the marine environment beyond national jurisdiction and 5.3 per cent of the total global ocean area.

Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

19. Progress in preserving and sustainably using the Earth's terrestrial species and ecosystems is uneven. The pace of forest loss has slowed and improvements continue to be made in managing forests sustainably and protecting areas important for biodiversity. However, declining trends in land productivity, biodiversity loss and poaching and trafficking of wildlife remain serious concerns.

- The net loss of forest continues to slow and forest biomass stock per hectare is stable. More forests are being protected and areas under long-term management plans and voluntary certification have increased. From 2010 to 2015, the annual net loss of forest area globally was less than half that of the 1990s. The proportion of land area covered by forest decreased from 31.6 per cent in 1990 to 30.8 per cent in 2010 and 30.6 per cent in 2015.

- Fifteen per cent of land is currently under protection, but that does not cover all areas important for biodiversity. Protecting key biodiversity areas is necessary to strengthen natural resource management and biodiversity conservation. From 2000 to 2017, average worldwide coverage of terrestrial, freshwater and mountain key biodiversity areas by protected areas increased from 35 per cent to 47 per cent, from 32 per cent to 43 per cent and from 39 per cent to 49 per cent, respectively.

- As of 2017, 76 per cent of the world's mountain areas are covered by some form of green vegetation, including forests, shrubs, grasses and crops. Green cover on mountains is lowest in Central Asia (31 per cent) and highest in Oceania (excluding Australia and New Zealand) (98 per cent).
- From 1998 to 2013, about one fifth of the Earth's land surface covered by vegetation showed persistent and declining trends in productivity. South America and Africa are most affected.
- Biodiversity loss continues at an alarming rate according to the Red List Index. The extinction risk for corals is increasing most rapidly among all assessed species groups owing to the growing threat from climate change and local impacts. Chytrid fungal disease, another grave concern, is decimating many amphibian species and increasing their risk of extinction.
- Wildlife poaching and trafficking continues to thwart conservation efforts. Illicit wildlife markets are complex and subject to rapid fluctuations. Demand for a given wildlife product can grow quickly, before the international community can react. In 2013, elephant ivory, rosewood and rhinoceros horn comprised over 60 per cent of total wildlife and timber product seizures.
- The global community is committed to conserving biodiversity. Two international agreements aim at sharing the benefits from using genetic resources in a fair and equitable way. As of April 2017, 144 countries ratified the International Treaty on Plant Genetic Resources for Food and Agriculture and 96 countries ratified the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization.
- In 2015, bilateral ODA in support of biodiversity amounted to $8.8 billion, an increase of 39 per cent in real terms over 2014.

Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

39. Violent conflicts have increased in recent years, while homicides have declined slowly and more citizens around the world have better access to justice. A few high-intensity armed conflicts are causing large numbers of civilian casualties. Progress promoting peace and justice, together with effective, accountable and inclusive institutions, remains uneven across and within regions.

- In 2015, between 5.2 persons and 6.7 persons per 100,000 persons worldwide were victims of intentional homicide. While the homicide rate has declined over the past decade, people in some countries located in Latin America, sub-Saharan Africa and Asia face increased risk of intentional murder.
- Various forms of violence against children persist, including discipline that relies on physical punishment and psychological aggression. In 76 countries (most are developing countries) with available data from 2005 to 2016, about 8 in 10 children from 1 to 14 years of age were subjected to some form of psychological aggression and/or physical punishment on a regular basis.
- Countries have made solid progress in terms of detecting victims of trafficking in persons, as reflected by the increasing number of detected victims over the last decade. Globally, more women and girls than men and boys were identified as victims of trafficking in 2014. However, the share of women and girls has slowly retreated, from 84 per cent in 2004 to 71 per cent in 2014. While the share of victims trafficked for sexual exploitation has declined, the

proportion of those trafficked for forced labour has increased. More than 25 per cent of all trafficking victims detected in 2014 were children, with girls outnumbering boys (20 per cent and 8 per cent, respectively, of total victims).

- Sexual violence is perhaps the most disturbing of children's rights violations. Underreporting and a lack of comparable data limit understanding of the full extent of the problem. In 35 low- and middle-income countries with data, the proportions of women between 18 and 29 years of age who experienced sexual violence for the first time before 18 years of age ranged from 9 per cent to 16 per cent.

- Rates of pretrial detention suggest that progress with respect to the rule of law and access to justice has been slow. Globally, the proportion of people held in detention without being sentenced for a crime has remained almost unchanged — from 32 per cent of total prisoners in 2003–2005 to 31 per cent in 2011–2015 — which indicates that substantive progress has not been achieved in the ability of judicial systems to process and try the accused in a fair and transparent manner.

- Opaque, burdensome and inefficient regulations and procedures nurture opportunities for corrupt officials to extract bribes or unofficial payments. In 2015, over 18 per cent of firms worldwide reported receiving at least one bribery payment request. The share of firms in low- and lower-middle-income countries totalled 25 per cent, compared to 4 per cent in high-income countries.

- To provide a sound basis for development, government budgets should be comprehensive, transparent and realistic. While expenditure in nearly 2 in 3 countries was within 10 per cent of their original national budgets, more than 1 in 7 countries deviated by at least 15 per cent. Nevertheless, budget reliability has improved over time, with about 8 in 10 countries in Southern Asia and Eastern Asia and the Pacific showing improvement.

- Birth registration is a first step towards safeguarding individual rights and providing every person with access to justice and social services. While many regions have reached universal or near universal birth registration, globally the average is just 71 per cent, on the basis of available country data reported from 2010 to 2016. Fewer than half (46 per cent) of all children under 5 years of age in sub-Saharan Africa have had their births registered.

- Legislation that calls for freedom of information has increased steadily, but slow or inefficient implementation of such laws remains a concern. More than 110 countries have adopted freedom of information legislation and policies. However, expert assessments suggest that 47 of those countries fall short of having clear legal provisions for exceptions to that right, while another 47 countries lack sufficient provisions for public education.

- Independent national human rights institutions play an important role in ensuring that States deliver on their human rights obligations and that no one is left behind. By the end of 2016, 37 per cent of countries had a national human rights institution that was compliant with internationally agreed standards (the Paris Principles), while 57 per cent of countries had been reviewed for compliance by their peers.

Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

21. Despite some positive developments, a stronger commitment to partnership and cooperation is needed to achieve the Sustainable Development Goals. That effort will require coherent policies, an enabling environment for sustainable development at all levels and by all actors and a reinvigorated Global Partnership for Sustainable Development.

Finance

- In 2016, net ODA from member countries of the Development Assistance Committee of OECD rose by 8.9 per cent in real terms to $142.6 billion, reaching a new peak. ODA as a percentage of member countries' gross national income was 0.32 per cent, up from 0.30 per cent in 2015. The rise in aid spent on refugees in donor countries boosted the total. But even leaving aside refugee costs, aid rose 7.1 per cent. In 2016, Germany joined five other countries — Denmark, Luxembourg, Norway, Sweden and the United Kingdom — in meeting a United Nations target to keep ODA at or above 0.7 per cent of gross national income.

- Remittances sent by international migrants to their home countries in the form of personal transfers and compensation of employees have a profound impact on individual families, communities and countries. In 2016, international remittances totalled $575 billion, 75 per cent ($429 billion) of which went to developing countries, according to the latest estimates.

Information and communications technology

- Fixed-broadband services remain largely unaffordable and unavailable throughout large segments of the developing world. In 2016, fixed-broadband penetration reached 30 per cent in developed regions, but only reached 8.2 per cent and 0.8 per cent in developing regions and the least developed countries, respectively. In developed regions, about 80 per cent of the population is online, compared to 40 per cent in developing regions and 15 per cent in the least developed countries. In 2016, the global rate of Internet user penetration was 12 per cent lower for women than men. The gender gap remains even larger in the least developed countries, at 31 per cent.

Capacity-building

- Total ODA for capacity-building and national planning stood at $21 billion in 2015. That amount represented 19 per cent of total aid allocable by sector, a proportion that has been stable since 2010. Of the total, sub-Saharan Africa received $5.6 billion and South and Central Asia received $4.2 billion. The main recipients of assistance were the public administration, environment and energy sectors, which together were provided with a total of $8.2 billion.

Trade

- During the past 15 years, developing regions have represented a growing share of international trade, with their world merchandise exports increasing from 31.1 per cent in 2001 to 44.6 per cent in 2015. Moreover, developing regions overall have maintained a trade surplus vis-á-vis the rest of the world. For the least developed countries, however, the share in world merchandise exports decreased from 1.1 per cent to 0.9 per cent from 2011 to 2015. Much of that change can be attributed to the fall in commodity prices.

- In 2015, average tariffs applied by developed countries to imports from the least developed countries remained stable at 0.9 per cent for agricultural products, 6.5 per cent for clothing and 3.2 per cent for textiles. Average tariffs applied by developed countries to imports from developing countries also remained largely unchanged in 2015.

Systemic issues

- In 2016, 125 countries engaged in country-led monitoring of development effectiveness, which demonstrates their commitment to strengthening implementation of the Sustainable Development Goals and multi-stakeholder partnerships; 54 of those countries reported overall progress towards those commitments. Countries' own result frameworks were used to define 83 per cent of new interventions supported by donor countries in 2016.

Data, monitoring and accountability

- Nearly half of the countries or areas (81 of 154 countries) for which information is available were implementing national statistical plans in 2016. However, only 37 of 83 countries or areas with pertinent data had national statistical legislation in place that complied with all 10 Fundamental Principles of Official Statistics.

- In 2014, developing countries received $338 million in financial support for statistics. While that amount represented an increase of nearly 2.9 per cent from 2010, it accounted for only 0.18 per cent of total ODA. In order to meet the data requirements of the Sustainable Development Goals, developing countries will need an estimated $1 billion in statistical support annually from domestic and donor sources.

- Population and housing censuses are a primary source of disaggregated data needed to formulate, implement and monitor development policies and programmes. During the 10-year period from 2007 to 2016, 89 per cent of countries or areas around the world conducted at least one population and housing census, while 25 countries or areas did not have such a fundamental data source.

- During the period from 2010 to 2015, more than half (56 per cent) of the world's countries or areas (138 of 246 countries) had birth registration data that were at least 90 per cent complete. In sub-Saharan Africa, only 8 of 53 countries reached that level of coverage. During the same period, 144 countries or areas, or 59 per cent, had death registration data that were at least 75 per cent complete. In sub-Saharan Africa, only 9 in 53 countries met that standard. Even in countries with functioning civil registration systems, coverage of birth and death registration and complete reporting of vital statistics remain a challenge.